FINANCIAL TIMES

No. 25,530 Friday August 13 1971 6p

News Summary

GENERAL

Lynch: Ulster regime must go

Relative peace returned to Ulster yesterday and anthorities turned their attention to coping with food and housing problems. In Dublin, however, Premier Lynch called for abolition of the Stormont Government, while in London Mr. Heath and senior Ministers agreed the policy of internment should continue.

There were minor incidents in both Londonderry's Bogside and Belfast yesterday, and some petrol bombs were thrown, but no casualties were reported as a result of any fighting.

In both places, however, food stocks were reported running very low and some necessities are expected to be unobtainable by the week-end. Streets in Belfast last night were mostly deserted except for a continuing exodus of Catholic families to refugee camps across the border in Eire.

5,000 leave

An estimated 5,000 people have gone to the camps and there were signs yesterday that the sheer weight of numbers was embarrassing the Dublin Government.

About 2,000 more people who had been driven from, or burned out of, their homes were sleeping in church halls and schools turned by Belfast Corporation into relief centres.

In Dublin, after a Cabinet meeting which had lasted most of the day, Premier Jack Lynch called on Britain to establish a special commission—with bipartisan Ulster representation—aimed at forming a new assembly to replace the present Stormont Government, which he claimed was forcing the Catholics to live under "unjust law."

Civil protest

He made it clear his Government now backed fully the call by Ulster Opposition MPs for a policy of civil disobedience, if it was needed to bring Stormont down.

In London, however, Mr. Heath and senior Ministers had earlier ruled out Mr. Lynch's proposal for a conference "of interested parties," at least until terrorism has been curbed, but agreed there should be "continuing dialogue" with Dublin on ways to bring peace to Ulster's two communities.

More Ulster news Back Page; Page 16

BEST OF THE NEWS

Syria cuts Jordan ties

Syria last night broke off diplomatic ties with Jordan and closed its skies to all Jordanian aircraft.

The move followed heavy fighting on the border in which, said Damascus, four Jordanian tanks were destroyed.

Meanwhile, King Hussein was told Egyptian and Saudi proposals for a settlement with the Palestinian guerillas, root cause of Jordan's friction with Syria.
Page 8

Mintoff 'angry'

Malta Premier Mintoff gave an angry reception to the NATO aid offer communicated by Britain on Wednesday night, reliable sources said yesterday.

However, Sir Duncan apparently has been given some scope for manoeuvre by being empowered to offer as much as ... annually for use of the island's military facilities.
Page 7

Moon memorial

The Apollo 15 crew, unbeknown to the world at the time, left a plaque on the moon in honour of 14 American and Soviet spacemen who have died, mission commander Dave Scott told a Houston Press conference.

Briefly . . .

Australian Premier McMahon dismissed former Premier John Gorton from his post as Defence Minister. Page 8

Spanish Government ordered an inquiry into the Malaga hotel blaze in which four guests died. Page 7

BUSINESS

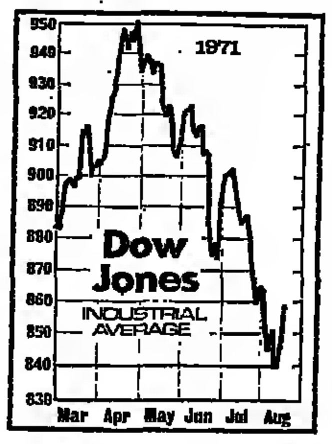
London, Wall St. climb

● **LONDON EQUITIES**, helped by the good trade figures, resumed their advance. The index ended 5.7 higher at 408.6 for a two-day rise of 13.3. Demand for second-line shares showed in the overall rises-to-falls ratio of 5:1.

● **GILTS** had rises ranging to ½ in mediums and longs.

● **TIN** fell £6.5 to £1,413.5 in the seeming absence of Buffer buying. Rubber lost 0.2p to 14.3p, its 1971 low. Page 4

● **WALL STREET** equities went further ahead, though the rally was technical, most analysts said: short covering and bargain hunting abounded. The market



lacked hard news but got some comfort from the U.S. approach to the IMF on wider currency bands and from rumours of coming tax cuts. The Dow Jones Index ended 12.63 up at 859.01 for a two-day rise of 19.42.

● **BECAUSE JAPAN'S** rate of import liberalisation is regarded as too slow the U.S. is likely to invoke rights of retaliation under GATT, says Japan's Vice-Minister for Trade and Industry, Mr. Morozumi. Japanese officials have said Washington has warned Tokyo to that effect.
Page 8

Tours firm's claims plan

● **CLARKSONS HOLIDAYS**, biggest British tour operator, is to give customers the right to resort to independent arbitration and claim money back if they are dissatisfied with holiday arrangements. Clarksons, now introducing its own arbitration system drafted jointly with the Institute of Arbitrators, suggests that the tourist trade should set up an independent body to enforce standards.
Back Page

● **ROLLS-ROYCE LTD.** receiver and manager Mr. E. R. Nicholson, announcing a £30m. repayment of 50 per cent. of the debenture capital on September 15, has said that a total payment in excess of 50p in the £ to unsecured creditors is indicated. The Government has agreed to support the RB-211 programme for the Lockheed TriStar until August 24 to allow the parties concerned to finish their contractual arrangements. Success in that would mean the avoidance of big claims by Lockheed, the airlines and others which would rank as unsecured creditors.
Back Page

● **STEEL OUTPUT** in July was the lowest for four years at 390,800 tons a week, 8.6 per cent. less than in June. Total for 1971's first seven months is 10.3 per cent. below that of the 1970 period. Demand is thought unlikely to improve until early 1972.
Page 6

GKN earns less

● **GUEST KEEN & Nettlefolds** first-half pre-tax profit is £21.95m. (£23.09m.) but the second half is expected to be better than the first. Half-year turnover was £292m. (£248m.). Interim is 3¾ per cent. (same).
Page 19; Lex

Imperial Metal Industries (subsidiary of ICI) has first-half pre-tax profit of £5.9m. (£6.4m.). Sales fell to £91m. (£106.8m.). Interim is raised to 5 per cent. (4) to reduce disparity.
Page 20; Lex

Norcros first-half pre-tax profit is £1.41m. (£1.21m.). Sales were £17.6m. (£15.8m.). Interim is 9 per cent. (8.33). Page 20; Lex

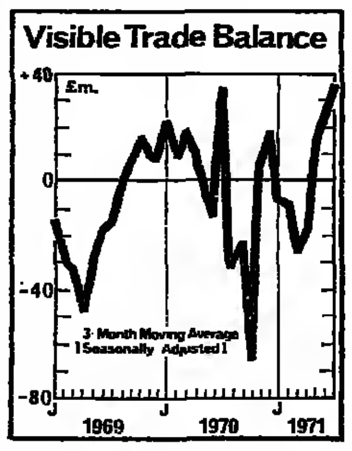
Trade surplus £3m. up at £43m.—£8m. monthly average

BY SAMUEL BRITTAN

The U.K.'s visible trade surplus increased marginally to £43m. in July, compared with £40m. in June. Exports fell by £17m. to £762m. and imports by £20m. to £719m.

Owing to the distortions caused by the postal and Ford Motor strikes earlier in the year, the first seven months of the year must be taken together to discern the underlying picture. In this period the visible surplus averaged £8m. per month on a seasonally adjusted basis. This compares with a rough balance in 1970.

Adding in invisibles, believed to be running at close to £50m. a month, the current payments surplus so far in 1971 works out at an annual rate of close to £700m. The combination of a large current surplus and speculation against the dollar explains the very large inflow of funds into London recently.



Position of £

The U.K.'s role in the world currency situation is now a paradoxical one. The position of the pound is regarded in international economic organisations as one of potential weakness in the long term, but of embarrassing strength in the short term. The weaknesses arise from the more rapid rate of inflation that prevails in the U.K. as well as the impact effect of EEC entry from 1973 onwards.

The value of U.K. exports increased by over 7 per cent. between the second half of 1970 and the first seven months of this year. Despite the fluctuations and the distortions the Department of Trade and Industry sees some underlying upward movement in the course of the last seven months.

About half the increase over the second half of 1970 reflected higher prices and half an increase in the volume of shipments. But the Treasury warns in its Monthly Assessment that some of the volume increase reflects a recovery in ships, aircraft and precious stones. These are subject to considerable short-term fluctuations and were low in 1970.

Imports in the first seven months of 1971 were 6 per cent. higher than in the second half of 1970. The greater part of this increase, however, has been in volume, although rising prices have played a greater role in the most recent months. Thus so far in 1971 there has been very little difference between export and import movements and the payments improvement has largely reflected better terms of trade.

The 1971 export recovery came after an 18-month period in which export volume hardly changed at all, and in which the British share of world trade in manufactures slipped back sharply. Moreover, the increase in imports this year has to be set against the general background of stagnation and recession, in which the Gross Domestic Product fell by 1½ per cent.

If the economy reaches or exceeds the 4-4½ per cent. expansion rate at which the Chancellor is now aiming the increase in imports seems bound to accelerate to a much higher rate.

Export prices

The DTI recently pointed out that British export prices of manufactures had so far this year averaged 9 per cent. above a year ago—more than twice the increase shown by competitor countries. The DTI calculated that over half the devaluation gain had been eroded by the first quarter of 1971. A little of the ground has, however, since been recovered as a result of European currency changes.

There were some special elements in the import rise this year—some precautionary buying of fuel in advance of the agreement with oil producing countries and a rise in ship and aircraft deliveries. On the other hand, imports of basic materials fell in volume terms, as did capital goods. But imports of consumer goods, especially cars, showed a marked rise.

Editorial Comment Page 16

N. Atlantic air fares: open rate situation may develop

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

THE possibility of an "open rate" situation on the North Atlantic air route, in which the airlines would be free to charge what they liked from next April 1, has emerged following their failure to agree unanimously on a new fares "package" at their Montreal talks.

The talks, which had been in progress since the end of June, collapsed late on Wednesday night, when one airline, Lufthansa, voted against the proposed complex new structure of rates that had been hammered out, including a new cheap Advanced Purchase Excursion (APEX) fare.

To become effective, the new fares package required unanimity in the voting. All the others, including BOAC, Air Canada, Pan American and Trans World, voted in favour, but because Lufthansa voted against, the package cannot become effective and cannot be sent to governments for their approval.

The talks have accordingly now been formally closed, but the fares "package" remains on the table for the next three weeks, until September 1, in order to give Lufthansa time to change its mind.

If by that date it maintains its opposition, the "package" will be officially abandoned by the International Air Transport Association, and an "open rate" situation will prevail from next April 1, when the new IATA fares year starts.

In practice, however, it is thought likely that most of the other North Atlantic airlines will press on with their plans for

The prospects for cheap travel Page 17
German alternative plan, Page 6

cheaper fares on the route, and that from April 1, a series of fares cuts will take place.

Defending its attitude yesterday, however, Lufthansa declared that it had voted against the Montreal fares package because it did not feel the package would do what Lufthansa wanted to see done—simplification of North Atlantic fares.

Lufthansa made it clear that it did not see how an "open-rate" situation could be avoided—implying that it has no intention of changing its mind—and that it would be prepared to introduce cheap fares of its own.

Mr. Ross Stainton, managing director of BOAC, said last night that BOAC was encouraged by the fact that all but one of the airlines on the route had at last been pursuaded in favour of cheap "Early-Bird" type of fares on the route. "We hope that the one carrier still standing out will give its agreement in the next three weeks," he said.

The new package of fares proposed at Montreal included a return fare of $199 (nearly £83) for flights in the off-peak period between New York and London, with a slightly lower fare of £79.50 if the tickets were bought in London.

This latter fare, included to meet the requirements of BOAC, which had been originally pressing for a £75 London-New York return rate, would have been bookable three months in advance, with a 75 per cent. refundability in event of cancellation. It would have been available for any individual.

It is this type of fare that BOAC will almost certainly introduce next April 1 if an "open rate" situation does emerge.

The feeling in air transport circles yesterday, however, was that even if Lufthansa declines to change its mind by September 1, there is still nearly seven months before April 1 in which

Continued on Back Page

Dollar under pressure again

BY MICHAEL BLANDEN

THE DOLLAR came under renewed pressure yesterday, with virtually every European currency, whether floating or fixed, attracting buying interest. Central banks, including the German, were offering support to the dollar but it remained weak and slipped back again in late trading.

The pressure on the dollar reflected partly speculative German newspaper reports that the Government and the Bundesbank would not let the mark float above 3.33 to the dollar, a revaluation of virtually 10 per cent. It was strengthened by reports from New York that the U.S. Government had asked the International Monetary Fund to widen the band of fluctuation between the dollar and other currencies to 3 per cent. either side of parity against the present 1 per cent., and by week-end influences.

Frankfurt again saw very active trading, with the dollar fixed at DM3.3980, equivalent to a revaluation of 7.7 per cent. and a record high. For the first time since the mark was floated in mid-May, the Bundesbank bought a noticeable amount of spot dollars, reliably reported at $39m. This helped to steady the market, but later the dollar fell further to end at DM3.3795, a revaluation of 8.3 per cent.

In the London foreign exchange market, conditions were volatile, though dealers reported that the level of activity had not been exceptionally high. Helped by the good U.K. trade figures, the pound remained strong against the dollar, closing again at $2.41⁹⁄₁₆, and it was thought the Bank of England had again offered some support to the dollar.

Gold active

Forward pounds remained strong, and gold again attracted attention in fairly active dealings. The metal ended the day at $43.30 an ounce, a rise of 40c on the previous close.

Among other European currencies, the guilder attracted buying interest ending in London at Fl.3.45½ to the dollar, reaching its highest levels since it was floated. The Swiss franc, too, was in demand, closing in London at Sw.Frs. 4.04½ to the dollar, once again putting the U.S. currency below the Swiss National Bank's lower intervention point of Sw.Frs. 4.0600.

It was reported from Zurich that the Swiss Bankers' Association and member banks are to meet the National Bank to-day to discuss inception of their gentlemen's agreement on controlling hot money inflows. It was expected that a communique would be issued tonight or to-morrow, probably giving a day for the introduction of the agreement ahead of the scheduled date of August 20.

Jurek Martin phones from New York: The New York foreign exchange market went wild again this morning. "The only thing that hasn't moved is the pound," commented a dealer at one major bank, who described the session as "crazy." However, although key European currencies rose sharply in value against the dollar, there was no sign that the New York Federal Reserve Bank, acting as the agent of the U.S. Government, had intervened in the market.

At the close the D-Mark was 29.66 U.S. cents high at 29.64 cents, well above yesterday's close of 29.36-38. The Dutch guilder had broken through the 29 cent barrier to 29.03 from last night's 28.76-78.

Bundesbank buys in bid to steady dollar, Page 24

U.S. seeking study of wider currency bands

BY JOHN GRAHAM, U.S. EDITOR

WASHINGTON, August 12.

THE U.S. has asked the International Monetary Fund to study seriously the possibility of widening the official bands around currency parities.

The U.S. has stopped short of taking a formal and final position on this, but is understood to be moving in favour of this particular form of greater flexibility. At the same time the other two forms of flexibility commonly discussed—a type of crawling peg and free-er floating arrangements—are also before the fund for examination.

There has so far been no official acknowledgment of the American position. The U.S. is reported to have suggested a widening of the bands to 3 per cent. each side of par, but this again is almost certainly not a fixed position. It may be, as some European monetary authorities suspect it of being, a preliminary negotiating position.

The present situation is that the IMF still has before it the provisional report on flexibility from last year's annual meeting. The U.S., partly because of the chronic need for some mechanisms by which the world's banks can do something about the sort of currency speculation that has bedevilled markets in the past five years, and partly because of the market disorders of last spring and of the moment, wishes to inject momentum into the international discussion.

It appears that the U.S. executive director of the Fund, Mr. William Dale, has proposed the 3 per cent. wider bands to a Board meeting. Any suggestion by an executive director constitutes a proposal of sorts; the implication at present is that the Secretary of the Treasury, Mr. John Connally, has not, however, formally sent a written proposal either to the Board or to the managing director.

All Mr. Dale will say at present is that the matter is "under confidential discussion, as these things are from time to time, and I really couldn't confirm or deny or really say a thing. I'm afraid, on the whole subject."

The latest "official" stance of the U.S. was outlined by Mr. Connally four weeks ago. "We think," he said, "that the widening of the margin, particularly with respect to short-term monetary flows, has some merit. We have been in discussions with all of the countries about this, and a great many other possibilities for providing a stable exchange rate, yet at the same time providing a flexible situation that would take care of these short term flows that created such problem last spring."

This suggests that the recent short-term flows that have been affecting the dollar especially heavily this week, may have stimulated the U.S. to push a little harder for flexibility. If the wider band option is finally decided on, then the U.S. will have to get prior agreement in the Group of Ten, since it is mainly those other members who will have to operate the new system.

Swap pact

In another move to facilitate international financial dealings the Federal Reserve has increased its reciprocal swap arrangements with two countries, to the tune of $500m.

The swap arrangement with Belgium has gone up from $500m. to $600m., and that with Switzerland from $600m. to $1,000m. In all, the U.S. now has arrangements with 14 countries and the BIS for a total of $11,730m.

THE £ ABROAD

	Close Aug. 12	Close Previous
New York (spot)	$2.4182-4204	$2.4196-4199
Do. (1 month)	0.10-0.15 prem	0.01-0.01 dis
Do. (3 months)	0.05-0.04 dis	0.22-0.20 dis
Do. (12 months)	1.75-1.65 dis	2.05-1.95 dis

New buyer for Watney shares

BY KENNETH GOODING

A BIG BUYER of Watney Mann shares has added the latest twist in the bitter struggle between Watney and Grand Metropolitan Hotels for control of brewers Truman Hanbury Buxton.

Watney shares jumped another 5½p to 129p by the close last night following a 4p rise on Wednesday. It was suggested that several million Watney shares changed hands yesterday; one source maintained it might have been up to 4 per cent. of the issued capital.

As Watney shares are included in its bid package for Truman, the effect has been to widen the gap in the current value of its bid compared with the Grand Met. offer.

Last night Mr. Michael Webster, Watney's chairman, said he knew of no reason for the sharp rise in his group's share price. "The company has received no approaches."

The strongest rumour yesterday was that merchant bankers N. M. Rothschild were buying the Watney shares on behalf of Allied Breweries, the Ind Coope, Tetley Walker and Ansells group, which could lose a good deal of wine and spirit business being done with Grand Met. should Grand Met. acquire Truman and build up that group's wine and spirit interests.

It was also rumoured that Allied was looking for a deal with Watney to pave the way for Allied's acquisition of International Distillers and Vintners, in which Watney has a large holding.

Certainly Rothschild is responsible for some Allied pension funds, but Allied's finance director, Mr. T. G. Boardman, said last night: "We have not bought a Watney share."

The market activity yesterday overshadowed events at Truman's annual meeting, which passed off peacefully with only an orderly demonstration from about 30 shop stewards who made it clear to shareholders they preferred the Grand Met. bid.

Grand Met.'s chairman, Mr. Maxwell Joseph, was among the 100 or so at the meeting. He parried questions about the bid situation except to say: "It is jolly nice to have the employees and tenants supporting us."

Mr. Derrick Pease, Truman's chairman, assured publican-shareholders that "the licensees form the backbone of the success of this company" and maintained this view was shared by both bidders.

But he refused to be drawn into outlining the reasons why the Board was supporting the Grand Met. offer and not that of Watney. "The less raking over the pros and cons the better," he commented.

After the meeting Mr. Pease was asked whether he expected another bid from Watney Mann, but he said he had no reason to expect one was on its way.

See Men and Matters, Page 16

ON OTHER PAGES

SOFT DRINKS

To-day's issue contains three pages (11-13) on Soft Drinks.

CHIEF PRICE CHANGES

(Prices in pence unless otherwise indicated)

RISES

...-Swiss	60	+ 16
... Portland Cmt.	364	+ 7
...ys Bank	612	+ 15
...Wall	175	+ 13
...in (R.)	177	+ 6
...s	260	+ 14
...hams	228	+ 11
Doxford & Sunderld.	48	+ 8
EMI	146	+ 5
Hammerson "A"	460	+ 28
Hudson's Bay	930	+ 62
Lucas (J.)	206	+ 10
Mercantile Credit	182	+ 10
Nat. Westmstr. Bank	610	+ 17
Pearl Assurance	268	+ 12
Plessey	125	+ 6
Prudential	173	+ 14
Rank Org. "A"	849	+ 32
Reckitt & Colman	293	+ 10
Sterling Guar. Trust	325	+ 16
Tilbury Contracting	160	+ 8
Tremletts	170	+ 6
Tube Invs.	434	+ 12
Turner & Newall	151	+ 7
Unigate	126	+ 8
Watney Mann	129	+ 5½
British Petroleum	625	+ 13
Mid. Eastern Oil	51	+ 11
Coronation	70	+ 5
Lonrho	88	+ 6
Malayan Tin	145	+ 5
Pancontinental Mng.	60	+ 10
Tanganyika Cons.	198	+ 13
Tara Exploration	705	+ 30
West Drie.	985	+ 15

FALLS

Alliance Prop.	112	− 7
Howard & Wyndham	38	− 6
Anglo-Ecuador	87	− 8
Seafield Amal.	37	− 6
Beralt Tin	208	− 27

U.K. DAILY STOCK INDICES

FINANCIAL TIMES

	Aug. 12	Aug. 11	Yr.ago
Govt. Secs.	74.68	74.37	70.47
Fixed Interest	74.26	74.10	72.33
Industrial Ord.	408.6	402.9	338.3
Gold Mines	58.1	57.7	48.9
Ord. Div. Yield	3.72	3.76	4.94
Earnings Yield	5.80	5.87	6.74
P/E Ratio	17.23	17.04	14.83
Dealings Marked	11,775	9,947	7,182

Industrial Ord. (noon) 404.4
For latest share index phone (01)-246 8026

F.T.-ACTUARIES

	Aug. 12	Aug. 11	Yr.ago
Industrial Group	167.25	165.26	—
500 Share	183.28	181.02	134.71
Div. yield pc.	3.61	3.66	4.79
P/E Ratio	17.82	17.60	13.87
All Share	180.42	177.41	128.75
Consols. yield pc.	9.26	9.35	9.22

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Letters to the Editor

BRACKEN HOUSE, CANNON STREET, LONDON, EC4

Conservation and water supply

Sir,—One would hardly have expected anyone, much less a Member of Parliament, to make such an unjustified and inaccurate attack on local authorities as that by Mr. Charles Simeons in his letter to you (August 10).

If Mr. Simeons cared to study the Monthly Bulletin of Construction Statistics for June, 1971, issued by the Department of the Environment he would see that in the five years 1966 to 1970 inclusive, the value of new orders obtained by contractors amounted to £493m. for sewerage and sewage disposal and only £197m. for works of water supply.

Far from local authorities being the "worst polluters pumping raw sewage into our rivers," the standard of purity is rising every year. For example, fish are appearing in the River Thames which have not been seen there for most of this century.

If Mr. Simeons wishes to remedy the position he so vehemently deplores, let him persuade the Government to force the Central Electricity Generating Board to turn over exclusively to the nuclear generation of electricity and, in conjunction, to instal desalination plant to utilise the off-peak load and so provide abundant fresh water at a cost little, if any, more than that of constructing vast reservoirs and flooding valuable land and dispossessing many farmers and others.

As nuclear power stations can now safely be located close to large centres of population, water distribution costs could also be greatly reduced. Nuclear power stations may cost more to build, but their running costs are a fraction of those using oil or coal, the price of which goes up year by year. Moreover, uranium fuel can be reprocessed whilst coal and oil burn to add to our already near-intolerable atmospheric pollution.

V. J. Wilmoth,
Editorial Director,
Civil Engineering and Public Works Review.
8, Buckingham Street, W.C.2.

Sponsorship of sport

Sir, — Antony Thorncroft's article on Sponsored Sport (August 7) described nicely the current state of play but left a number of questions remaining unanswered. Why, for example, was Ford's entry into sponsorship destined to be unsuccessful and short-lived? Why, in the appraisal of marketing budgets, is sponsorship regarded as a peripheral element? Why has there been a relative withdrawal from the sponsorship of motor racing? Why was Player's sponsorship of Sunday League cricket such a flop and its golf "Classic" equally disastrous in terms of tangible payoffs? There is a common thread in these questions and, indeed, in the responses to them. Thorncroft says that "the . . . (sponsorship) . . . effort must be well directed, it must be thought through as a marketing exercise, and there must be research afterwards." This is the hub of the problem.

Because sponsorship is considered as a peripheral activity in the firm's total marketing operation the planning necessary to ensure a high probability of success or, conversely, to minimise the risk of failure is rarely given to the venture. Research carried out at the Manchester Business School into the activities of over 30 sponsoring organisations has revealed that sponsorship is not incorporated into the mainstream of a firm's marketing strategy because the sponsoring company does not, in the main, identify and recognise sponsorship in a conceptual sense.

In other words, sponsorship is not treated as an integral element of the communications flow between the firm and its market.

It is seen, as Thorncroft rightly points out, as a gimmicky device for attracting "free" publicity in terms of name mention on television or newspaper column inches. But companies are kidding themselves if they believe they derive any tangible benefit from this form of media exposure. Even the infant science of measuring advertising effectiveness has one law which is firmly accepted: namely, that the decision to purchase is triggered off by messages which are *recognised* and *associated* by the brand user as being compatible with presently held attitudes towards the product.

Translating this into operational terms, the sponsorship should generate name-association and publicity which serves to reinforce and re-establish the attitudes of existing brand or *product users*. This, of course, begs a major question: namely that the sponsoring company has already identified these attitudes. If, indeed, the company had this marketing information, then there should be relatively little difficulty in carrying out similar post-sponsorship research to determine the degree to which the sponsorship affected the sentiment of existing and potential brand users in terms of decisions to purchase.

The logical conclusion of this analysis is that, because of the "conceptual gap," companies do not integrate sponsorship into their marketing planning and, as a consequence, their sponsorship ventures run a very high risk of failure. Research on the lines mentioned above might improve the returns from sponsorship projects which, in the long run would benefit the sport as well as the sponsoring organisations.

D. W. Anthony.
8, Rye Walk,
Chartfield Avenue, S.W.15.

Buyers' status

Buyers know all

Sir,—The claim by Mr. York in his letter of August 8 that purchasing officers decisively exert purchasing influence over various commodity groups ranging from a minimum of 34 per cent. to as much as 82 per cent. must create considerable hilarity among industrial salesmen.

My company approaches over 300 organisations every week in order to inform a select band of industrial sales organisations on promising prospects which they should contact for orders.

When we approach the majority of purchasing officers for information on forthcoming orders, we are told that there is no point in disseminating details as all sources of supply are known to them.

Yet, when we speak with the real purchasing decision makers like production, works and design engineers, to name only a few, the purchasing officer's statement is invariably refuted.

Excluding routine repeat orders, we find Mr. Thorncroft's figures of purchasing officers influencing only 2.5 per cent. of the buying decisions to be nearer the mark than those provided by Mr. York.

I am glad to hear that buyers are being trained to cope more adequately with the problems associated with purchasing. Unfortunately, due to the present technological explosion, the experts will continue to have the final say whenever important purchasing decisions have to be taken.

The problem of salesmen not seeing the right buyers will remain, unless the Institute of Purchasing and Supply provides at least the moral support for a national survey of who are the various purchasing decision makers in large- and medium-sized organisations.

Such information would save thousands of valuable hours that are being wasted now every day, not only by industrial salesmen but also by the wrong prospects.

E. Sperling,
Managing Director,
Sales Intelligence.
Rowland House, Hinton Road,
Bournemouth, Hants.

One free chat at the bank

Sir,—I wonder how many of your readers realise the likely impact of the New Immorality (iniquitous bank charges) on their lives in future?

I recently had the doubtful pleasure of a few minutes conversation with my bank manager, first having secured an undertaking that I would not be charged at the rate of £6 an hour. He told me that the new rules mean that I shall have to keep an average daily balance on my current account of £500 and to average only 16 entries on the statement a month, if I am to avoid being charged each half year for the pleasure of doing business with him. This is based on a formula using 3 per cent. per annum on the daily balance and a "commission" of 7½p (1s 6d in old money) per entry.

And if I should temporarily go into the red then there will be an interest charge too—8 per cent. plus, depending on collateral, etc.

I told him to be his age. How many private customers are going to leave £500 idle in current account, or submit to charges of 7½p per entry, and take it all lying down? If Giro played its cards right it could pinch hundreds of accounts from the Clearing Banks once the New Immorality begins to make its mark.

N. Haywood Nelms.
12a, Drayton Court,
Drayton Gardens, SW10 9RQ.

Exhibition centres . . . London preferred

Sir,—I read with interest the letter from Mr. P. M. Cox (August 7) referring to the needs of the conference industry for facilities in the London area. I am happy to inform him that a purpose-built conference complex forms part of the projected London International Exhibition Centre on which the Lyon Group is currently working with the support of the Greater London Council.

Indeed, if planning approval is given in the near future to this proposed exhibition centre adjoining Northolt Airport, it will offer for the first time in London's history the following essential facilities on one site:—

A conference centre with seating for 900 delegates—divisible into two or three smaller separate conference halls, complete with film projection facilities and the most modern communications equipment.

A 600-bedroom (1,200-bed) hotel built to international standards immediately adjoining the conference centre, which will also incorporate meeting rooms and suites for private letting to conference delegates.

A quality restaurant and bars directly linked to the conference centre.

Press, radio and television centre directly linked to the conference halls.

Adequate car parking for the maximum number of potential delegates.

A conference centre which, because it adjoins the London International Exhibition Centre, will become a focal point for trade visitors from Europe, North America and other industrialised countries.

Quick and easy transport from Central London—by direct motorway link or three alternative underground rail routes; also convenient to Heathrow Airport only four miles away.

My group is determined to ensure that the conference centre and the adjoining exhibition centre are operated with the fullest sense of responsibility to *their international visitors*, including such services as multilingual attendants and secretaries, *translation*, typing and duplicating facilities. In addition, the centre will contain the offices of such essential services as travel agents, car hire companies, airlines, banks, and a post office (with efficient international telephone and telex links).

From researches which we have already carried out we feel convinced that the facilities offered by our proposed conference centre will augment those already planned by the Greater London Council for the Covent Garden area

Ronald Lyon.
Chairman, Lyon Group.
Lyon Tower, High Street,
Colliers Wood, S.W.19.

Sir,—Mr. G. F. Cole (August 6) accuses me of distorting the facts about the proposed London and Birmingham exhibition centres. May I rephrase the two points which I made on August 2 to which Mr. Cole takes exception in the same terms as Mr. Cole uses?

(a) The DTI will not use the fact that the GLC would be investing public money as grounds to prevent the proposed London centre from going ahead, provided it obtains planning permission and needs no Government subsidy.

(b) The 6,000 hotel rooms at present available within 20 miles of Birmingham and the 4,000 more in the pipeline (most of them twin-bedded) will not be adequate both to meet the present and future needs of the City, and also to accommodate on top of this the scale of demand met last month in London when the Ipex exhibition was held there and 4,000 exhibitors, 41,000 overseas visitors and 160,000 U.K. visitors descended upon the capital during the tourist season.

However, all these detailed questions about comparative ease of access from the main business centres at home and abroad by air, road, rail and underground and about comparative commercial, hotel, *restaurant*, shopping and entertainment facilities are, in the end, a matter of marketing judgment. Potential customers must assess for themselves which location is likely to attract the more buyers from home and overseas and to be the more effective international marketplace by their exhibitions.

G. A. M. Ritson,
Director, Association of
Exhibition Centres.
10, Manchester Square,
W1M 5AB.

Sir,—Mr. G. F. Cole's letter of August 6 merits comments. While Mr. Cole is both emotional with regard to the Birmingham project and petulant concerning its critics, we exhibition organisers cannot afford such luxuries, and have perforce to take account of our own market research.

In determining which location *to favour* for future exhibitions, the British organisers of major international exhibitions in this country, 90 per cent. of whom are members of the Association of Exhibition Organisers, must have regard to the majority views of the exhibitors and visitors in the industries for whom they are seeking to create these international market places. Whether the organiser is a trade association, a private organising company, or a combination of the two, he would not remain in business very long if he sought to promote multi-*million* pound exhibitions which the majority of the industry concerned was unwilling to support.

These views have been sought and I am not aware of any major trade association concerned with any large-scale international exhibition which *has* declared that it would prefer a Birmingham over a London location for the *largest events*. A canvass of views showed that 71 exhibitions, representing over 92 per cent. of the tenancies of *Earls* Court and Olympia favoured London. Smaller, highly specialised exhibitions, not heavily dependent of foreign attendance, or public exhibitions not seeking the largest possible gate, would no doubt welcome first class, but smaller, facilities in Birmingham.

Specifically, our own International Instruments, Electronics Automation Exhibition is sponsored by five trade associations, namely, the British Electrical and Allied Manufacturers' Association, Radio and Electronic Component Manufacturers' Federation, British Industrial Measuring and Control Apparatus Manufacturers' Association, Electronic Engineering Association and the Scientific Instrument Manufacturers' Association of Great Britain. Having first obtained the views of their members, these trade associations came out overwhelmingly in favour of London. Additionally, an independent survey taken on visitors at the last IEA Exhibition, posed a question: London or Birmingham—nearly 75 per cent. favoured London.

Yet the trade associations and organisers are cast by Mr. Cole as the villains of the piece, distorting the facts and lacking in imagination, because they are doing precisely what Mr. Cole is refusing to do—namely they are paying regard to the overwhelming weight of opinion of their customers on whom they are dependent for their own viability and livelihood.

These views could only be changed if more information were forthcoming from Mr. Cole to inspire confidence in industry that the full costs of the Elmdon centre have been taken into account, that sufficient private risk capital has been promised to cover the excess cost over the committed £4.5m., of public money, and that there is real prospect of achieving the annual average *occupancy* rate of the entire centre needed to break even.

May I frame these questions?

1—What is the current estimate for the total cost of the Elmdon Centre including not only the halls, but the cost of the hotel and all ancillary conference, restaurant, office, shop, workshop and storage accommodation, external exhibition, parking and marshalling areas, public utility services, link roads, local road improvement, land costs, fees and finance costs?

2—Have developers or other sources of private risk capital been found who are satisfied that this proposed venture promises adequate security and return on their investments which will, in any event, not be less than £9m., and could be substantially more?

3—Will Mr. Cole tell us how many days of annual average occupancy of the entire 1m. square feet centre are represented by those (whose names must, I accept, remain confidential) who have told him that they would favour Birmingham over London?

In the case of the London scheme the answers are respectively £21.5m., the Lyon Group, and about 260 days of annual average occupancy favouring London over Birmingham. Can we have some answers in the case of the Birmingham scheme please—Mr. Cole has been too coy for too long.

P. A. Mahoney,
Industrial Exhibitions.
9, Argyll Street, W1

Savings on labour

Sir,—Mr. Cook (August 7) begs the question. If he will read his original letter (July 29) again, he will see that he appeared to *compare* a *German* labour cost with British average earnings. My point is that this comparison is meaningless; the true earnings differential of his example is nearer *20* per cent, which could surely be met by improved productivity.

He now asserts that his German figure was for earnings only. Perhaps, having checked this with his informant, he will confirm that the British and German jobs, responsibilities, earnings structures and industries are really comparable. (British and German equivalent end-product prices, and labour content of costs, would also be relevant.) Then we might be able to help him with constructive replies.

Perhaps, also, he *will* refrain from misquoting me in pursuit of humour.

D. G. Millar.
110, Maidenhead Road,
Stratford-upon-Avon, Warwicks.

Events

To-day

COMPANY MEETINGS—

ALLIED INVESTMENTS, Institute of Chartered Accountants, Moorgate Place, E.C., 12. (Chairman Mr. F. H. Taylor, M.P.)

ENGLISH CARD CLOTHING, Huddersfield, 2.30. (Chairman, Mr. S. J. S. Walker.)

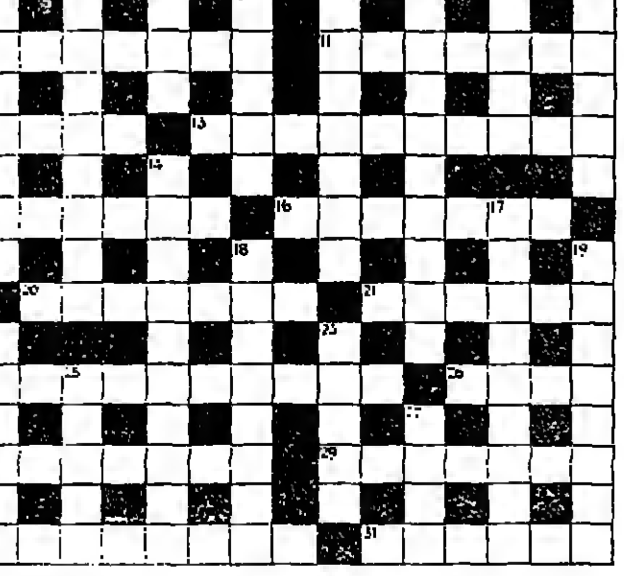
MARTIN (JOHN) OF LONDON, 1, London Bridge, S.E.1, 11. (Chairman, Mr. J. Martin.)

PILKINGTON CROS., St Helens, 2.30. (Chairman Lord Pilkington.)

SCOTT (JAMES), Glasgow, 12. (Chairman Mr I. Sclar.)

WADDINGTON (JOHN), Leeds, 10.30. (Chairman, Mr H. E. Chadwick.)

F.T. CROSSWORD PUZZLE NO. 1,644



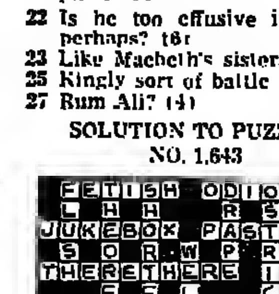
ACROSS

1 Give way about time of abstinence (6)
4 Let the official reward the servants (8)
10 50, as luck would have it, in the east end of the church (7)
11 Get name of mother right in the platform (7)
12 Curious side to fateful day in March (4)
13 Feeling like Marvell's shepherd (10)
15 What patriotism is not? (6)
16 Virginia's a loady (7)
20 Fond of a party call (7)
21 Fights for a little food (6)
24 Cheaper seats for the whole-hearted (10)
26 Spoon companion in flight (4)
28 Dance with little Richard in the food-store (3-4)
29 Teased by the cook (7)
30 At rest when hundred leave putting fresh layer in (8)
31 Does the boy go back after the vehicle to be a destroyer (6)

DOWN

1 Part of telephone found in fence (5)
2 Tenure of broken holes in the feed (9)
3 Devil of a prison! (4)
5 Three points more on river work (8)
6 Men close on sort of drowsing (10)
7 Article on alternative volunteers is in the trunk (5)
8 Sure to win the slimming race? (6)
9 Ask for soft metal (5)
14 Resigns a go in order to provoke hostilities (10)
17 A security organisation follows me up with Edward looking under-nourished (9)
18 "When old —— Pickwick walked Among the broken men" (Chesterton) (8)
19 Leda bops awkwardly to the plant (8)
22 Is he too effusive in Texas perhaps? (6)
23 Like Macbeth's sisters (5)
25 Kingly sort of battle (5)
27 Rum Ali? (4)

SOLUTION TO PUZZLE NO. 1,643



TV/Radio

*Indicates programme in black and white.

BBC 1

*1.00 p.m. Dyfal Donc. 1.30 Watch with Mother. 1.45 News. 2.00 Grandstand: European Championships from Helsinki; Show Jumping from Hickstead; Racing from Newbury. *4.40 Jackanory. 4.55 Score with the Scaffold. *5.25 Boss Cat.
5.50 News.
6.00 London This Week.
6.20 European Championships from Helsinki and Show Jumping from Hickstead.
7.45 The Virginian.
9.00 Nine O'clock News.
9.20 It's a Knock-out!
10.35 24 Hours.
11.05 Movie - Makers: Dirk Bogarde at the *NFT* talking about his career as a screen actor with scenes from his films.
11.55 Weather.

All Regions as BBC 1 except at the following times:

Wales—*1.30-1.45 p.m. Ar Lin Mam. *6.00-6.20 Wales To-day. *7.45-8.05 Heddiw. *8.05-8.30 Dyfal Donc. 8.30-9.00 The Spinners. 11.05-11.35 Monty Python. *11.35-12.10 a.m. Wynebu Ffeithiau: religious discussion.

Scotland—*6.00-6.20 p.m. Reporting Scotland. *11.57 Scottish News Headlines.

Northern Ireland — *6.00-6.20 p.m. Scene Around Six. *11.57 Northern Ireland News Headlines.

England—*6.00-6.20 p.m. Look North (from Leeds, Manchester, Newcastle); Midlands To-day (from Birmingham); Look East (from Norwich); Points West (from Bristol); South To-day (from Southampton); Spotlight South West (from Plymouth). 11.57 Regional News Headlines.

BBC 2

11.00 a.m. Play School.
*7.30 p.m. News.
8.00 A View of the Islands.
8.30 Summer Review.
9.20 Get the Drift.
9.50 Cousin Bette: by Honore de Balzac, starring Margaret Tyzack.
10.35 News on 2.
10.40 Late Night Line-Up.

LONDON

2.50 p.m. Shooting. 3.15 The Peace Game. 3.40 Zingalong. 3.55 Yoga for Health. 4.20 Skippy. 4.50 Secret Squirrel. 5.15 Folly-foot.
5.45 News from ITN.
6.00 Riptide.
*7.00 On the Buses.
7.30 The Sky's the Limit.
8.00 The FBI.
*9.00 Kate.
10.00 News at Ten.
10.35 Police 5.
*10.45 Friday's Horror Film: "House of Dracula," starring Lon Chaney Jnr. and John Carradine.
12.05 a.m. On Reflection . . . Jo Grimond reflects on Lord Palmerston.
*12.30 A Likely Story.

All ITV Regions as London except at the following times:

ANGLIA

*3.35 p.m. Anglia Newsroom. *3.55 Yoga for Health. 4.25 The Romper Room. 4.45 Voyage to the Bottom of the Sea. 6.00 About Anglia. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Glamour '71. 8.00 Hawaii Five-O. 10.35 The Name of the Game. 12.10 a.m. Reflection.

ATV MIDLANDS

3.30 p.m. Tomorrow's Horoscope. 3.40 Women Today. 4.05 Peyton Place. 4.35 Zingalong. 4.50 Thunderbirds. 6.00 ATV Today including Sports Report. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. 8.00 Hawaii Five-O. 10.35 Late Movie: "The Curse of the Werewolf" starring Clifford Evans, Oliver Reed and Yvonne Romain.

BORDER

2.10 p.m. Cricket: Yorkshire v India from Headingley, Leeds. 4.10 Interval. 4.22 Border News Headlines. 4.24 Houseparty. 4.35 Zingalong. 4.50 Cowboy in Africa. 6.00 Border News and Lookaround. 6.25 Border Sports Review. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. 8.00 Hawaii Five-O. 10.35 Sir Walter Scott (1771-1832). 11.05 Late Night Thriller "My Gun is Quick," starring Robert Bray and Whitney Blake. 12.30 a.m. Border News Summary.

CHANNEL

3.05 p.m. Monument to a Dream. 3.30 Days of Our Youth. 3.54 p.m. Interval. 3.56 Zingalong. 4.05 Puffin's Birthday Greetings. 4.20 Gilligan's Island. 4.50 Land of the Giants. 6.00 Channel News. 6.10 People and Places. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. 8.00 Department S. 10.30 Feature Film: "Night of the Hunter." 12.15 a.m. News and Weather in French.

GRAMPIAN

4.18 p.m. Grampian News Headlines. 4.20 Moment of Truth. 4.45 The New Adventures of Huckleberry Finn. 6.00 Grampian News. 6.05 The Smith Family. 6.35 Crossroads. 7.00 The Sky's The Limit. 7.30 Albert and Victoria. 8.00 The Avengers. 10.35 Hogan's Heroes. 11.05 The Late Movie: "Reach for Glory" starring Harry Andrews, Kay Walsh and Michael Anderson Jr. 12.35 a.m. Evening Prayers.

GRANADA

4.05 p.m. News followed by "Peyton Place." 4.35 Thunderbirds. 5.30 Newsday. 6.00 Newsday (continued) followed by "Police File." 6.25 Albert and Victoria. 6.55 The Saint. 7.55 The Odd Couple. 8.20 The Scales of Justice. 10.35 Open Night. *11.00 For Adults Only: "He Ran All The Way" starring John Garfield and Shelley Winters.

HTV

3.00 p.m. Cricket: Yorkshire v India from Headingley Cricket Ground, Leeds. 4.03 Interlude. 4.05 Tomorrow's Horoscope. *4.12 Moment of Truth. 4.40 Women Only. 5.03 Zingalong. *5.15 Robin Hood. 6.01 Report West. 6.18 Report Wales. 6.35 Crossroads. 7.00 The Sky's the Limit. *7.30 Friday Film: "The Ride Back," starring Anthony Quinn and William Conrad. 10.35 Paper Round. 11.10 Man in a Suitcase.

SCOTTISH

4.10 p.m. The Magic Elephant. 4.25 Crossroads. 4.50 Holiday Cavalcade. 5.15 Skippy. 6.00 Scottish News. 6.10 Bonanza. 7.00 The Sky's the Limit. 7.30 The Saint. 8.25 Albert and Victoria. *10.35 It's Tarbuck. 11.05 Talking Heads. *11.35 Homicide. 12.30 a.m. Late Call.

SOUTHERN

3.10 p.m. Yoga for Health. 3.35 Tomorrow's Horoscope. 3.40 Women Today. 4.05 Houseparty. 4.18 Diana and the Golden Apples. 4.25 Crossroads. 4.50 Charlie Brown. 6.00 Day by Day (Channels 6, 11 and 27). *6.00 Scene South-East (Channels 10 and 66 only). 6.30 Albert and Victoria. 7.00 The Sky's the Limit. *7.30 Friday Film: "Boys in Brown," starring Jack Warner, Richard Attenborough, Dirk Bogarde and Jimmy Hanley. 10.35 Weekend. 10.40 The Name of the Game. 12.05 Southern News Extra.

TYNE TEES

*1.40 p.m. Play Better Golf. 2.10 Cricket: Yorkshire v. India. 4.05 North East Newsroom. 4.10 The Flintstones. 4.35 Zingalong. 4.50 The Land of the Giants. 6.00 To-day at Six. 6.30 On the Buses. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. 8.00 Hawaii Five-O. *10.40 The Late, Late Movie: "Payroll" starring Michael Craig and Billie Whitelaw. 12.30 a.m. Late News Extra including Christian comment.

ULSTER

*4.25p.m. Romper Room. *4.45 Ulster News Headlines. 4.50 Land of the Giants. *6.00 UTV News. *6.10 Viewfinder. *6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Laredo. 8.30 Albert and Victoria. 10.35 Friday film: "The Jayhawkers" starring Jeff Chandler and Fess Parker.

WESTWARD

3.05 p.m. Monument to the Dream. 3.30 Days of our Youth. 3.54 Westward News Headlines. 3.56 Zingalong. 4.05 The Gus Honeybun Show. 4.20 Gilligan's Island. 4.50 Land of the Giants. *6.00 Westward Diary. *6.25 Sports Desk. 6.35 Crossroads. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. 8.00 Department S. 10.35 Westward Late News. *10.40 Feature film: "Night of the Hunter" starring Robert Mitchum, Shelley Winters and Lillian Gish. 12.17 Faith for Life.

YORKSHIRE

*1.40 p.m. Play Better Golf. 2.10 Cricket: Yorkshire v India, from Headingley. 4.05 Calendar News. 4.10 Matinee. 4.35 Zingalong. 4.50 Land of the Giants. 6.00 Calendar News. 6.05 Cricket: Final visit to Headingley for summary of the day's play. 6.30 McQueen. 7.00 The Sky's the Limit. 7.30 Albert and Victoria. *10.35 "The Wicked Lady," starring Margaret Lockwood and James Mason.

RADIO 1 247m

Time checks, up-to-the-minute traffic reports and News summaries at 5.30 a.m., 6.00, 6.30, then every hour on the half-hour until 2.30 p.m., 3.00, 3.30, 4.00, 4.30, 5.30, 6.30, 7.00, 8.00, 10.00, 11.00, 12 midnight, 1.00 a.m., 2.00. Weather at 5.32 a.m., 6.02, 6.32, 7.32, 8.32, 5.32 p.m., 6.32, 7.02, 2.02 a.m.

5.30 a.m. As Radio 2. 7.00 Noel Edmonds. 9.00 Johnnie Walker. 10.00 Jimmy Young. 12.00 Radio 1 Club. 2.00 p.m. Tony Brandon. 3.02 Terry Wogan. 5.00 Round Table. 6.00 Sounds of the 70s. 7.03 p.m. until 2.02 a.m., Radio 1 joins [illegible] Album Time with Brian Matthew. 6.45 Helsinki Sports Desk. 7.03 Folk on Friday. 8.01 Sports Desk. 8.02 Thanks for the Memory with Reuben Greng. 8.45 Friday Night is Music Night. 10.02 Late Night Extra. 12.00 Midnight Newsroom. 12.05 a.m. Night Ride. 2.00 News.

RADIO 2 1,500m: VHF

[illegible]

RADIO 3 194m, 464m; VHF

7.00 a.m. News. 7.05 Morning Concert: Tchaikovsky, Arensky, Lyadov, Boyce, Purcell arr Britten, Bach, Parry, gramophone records. 9.00 News. 9.05 This Week's Composer: Haydn on gramophone records. 9.50 Recital: Barber, Handel, Schubert, Wolf, Walton. [illegible] talk. 10.15 Bach on a gramophone record. 10.45 Beethoven Violin Sonatas. 11.30 News Summary.

RADIO 4 330m; VHF

6.25 a.m. News Summary. 6.27 Farming Today. 6.45 Prayer for the Day. 6.50 Regional news, weather and preview. 7.00 Today: magazine. The News. 7.40 Today's Papers. 7.45 Thought for the Day. 7.50 Regional news, weather and preview. 8.00 News and more of Today. 8.40 Today's Papers. 8.45 The Day of the Triffids, part 5. 9.00 News. 9.05 The Entertainers: Ken Dodd. 9.50 For the Sake of the School: discussion of [illegible]

Racing

Winners for Murless

by DARE WIGAN

NOEL MURLESS has been going through what is, judged by his *standards*, a lean spell recently but I shall be surprised if he does not have a few winners at *Newbury* this week-end. *In* fact, I expect three of his four runners at the Berkshire meeting this afternoon to be successful, beginning with *Calshot Light* in the Russley Handicap (3.00).

Calshot Light, a half-brother, by *Exbury*, to *Welsh Pageant*, is not particularly attractive, and his appearance is not enhanced by the fact that he races in a hood. However, he possesses considerable ability, and, on his only appearance this season, at Sandown on July 3, he finished third to *Picture Boy* and *Dancing Mood* when attempting to concede the Royal Hunt Cup winner 10 lbs. and *Dancing Mood*, who subsequently ran away with a handicap at Goodwood, 15 lbs.

Calshot Light will be carrying 9 st 6 lbs to-day, but he is of superior class to his opponents and I doubt whether any of them will get him off the bit.

Half an hour later, *Welsh Pageant* turns out for the Hungerford Stakes (3.30), a race that will be well worth watching, seeing that the field includes *Realm*, *Joshua*, who ran so well when third to *Mill Reef* and *Faraway Son* in the Sussex Stakes at Goodwood; the Spillers' Stewards Cup winner *Apollo Nine*; and *Tula Rocket*, who was runner-up to Ashleigh in the Jersey Stakes at Ascot. The issue here is likely to be between *Welsh Pageant* and *Joshua*, and a direct line is available between the two as a result of the valuable Lockinge Stakes run over the straight mile here on May 22, when *Welsh Pageant*, as is his custom, set off in front and held *Joshua's* challenge by three-quarters of a length.

Welsh Pageant was giving *Joshua* 4 lbs that day whereas the difference in the weights this afternoon is 3 lbs. On the other hand, the soft ground will be to *Joshua's* advantage. I think that *Welsh Pageant* will win, but it is liable to be a desperately close thing between them.

Murless runs *Mockbridge* in the St. Hugh's Stakes (4.00) for two-year-olds. This looks like being a warm affair, for, in addition to *Mockbridge*, *Pollster*, *Sky Fever*, *Joey* and *Precious Drops* can all be given a chance. Indeed, *Pollster*, an improved filly, who has won her last three races, will probably start favourite. *Joey* has run well twice; and *Precious Drops* performed with promise behind *Pert Lassie* in the Malecomb Stakes at Goodwood. However, *Mockbridge*, who did not appear to be greatly fancied when defeating *Facade* by a short head at Brighton at the end of June, may be best.

The best of the runners with public form in the Sparsholt Stakes (2.30) is *Helen of Troy*, a half-sister by *Grey Sovereign*, to *Joshua*, and owned, as is *Joshua*, by Mr. Geoffrey Rickman, and trained by *Alec Kerr at Dorking* in Surrey.

In fact, her effort when runner-up to *Angel Beam* here, at Newbury, last month was better than it looks on paper, for she failed to obtain a clear run, but for which she would have finished closer to the winner than she did. She is unlikely to have matters all her own way this afternoon, for Bixn is a strong Newmarket tip, and Murless runs *Fresh Start*, a filly by *Busted*. However, *Helen of Troy* is a logical choice.

SELECTIONS

2.00—National Park
2.30—Helen of Troy*
3.00—Calshot Light***
3.30—Welsh Pageant**
4.00—Mockbridge
4.30—Thomasville

Borrowers under Scotplan to pay 3% less

THE Bank of Scotland has cut the *interest rate charged to borrowers* under its Scotplan revolving credit system.

The new rate is 15 per cent. a year instead of the former 18 per cent.

Earlier this week, the bank introduced a new instalment loan scheme called Scotloan.

600 licences granted for Freepost

OVER 600 licences have been granted so far for Freepost, the recently introduced Post Office service that enables people to reply to advertisements without paying postage—using *unstamped* envelopes bearing an abbreviated address.

This avoids taking up space with reply coupons in newspaper and magazine advertisements, or sending out business reply envelopes or cards. It is particularly useful for poster, radio and television advertising because all that need be quoted is the Freepost address.

Freepost costs the concern using it ½p for every letter delivered, in addition to second class postage and an annual licence fee of £5.

LORD MAYOR'S IRAN VISIT

Sir Peter Studd, Lord Mayor of London, left London yesterday for a 12-week tour of Iran and Thailand. He was accompanied by a delegation from the Corporation of London.

The party, which has chosen communications and sport as the twin themes of its trip, will see traditional Iranian sports and other aspects of life in the country.

In Thailand the delegation will be the guests of the King, Prime Minister and Minister of the Interior.

MIDLAND BANK SHOW JUMPING

The second qualifying round of the Midland Bank South West Show Jumping Championship will be held on the Devon and Exeter (Haldon) racecourse on Sunday at 2.30 p.m.

Letter from Paris

Café-theatre fare

by HENRY POPKIN

The little café-theatres of Paris are resisting the Parisian custom of closing for the summer rather better than the conventional theatres. Several have remained open, and some of them have even scheduled new programmes to open just at the time when every good Parisian hastens from the city to avoid the deluge of tourists. And the café-theatres flourish.

Although these properous establishments are still occasionally spoken of as if they were invented only a few minutes ago, they date back to 1966, and their brief history already presents a distinctive pattern. They began by presenting off-beat plays, often of substantial length, by new writers, and, quite soon, a publisher started issuing their plays in book form. Now that series seems to have petered out, and the new preference of the café-theatres is for short plays by foreign authors. Curiously, that reverses the early history of New York's off-Broadway theatres, which started 20 years ago mainly as homes for foreign plays and revivals; it took ten more years before Edward Albee, Jack Gelber, and the rest of off-Broadway's new dramatists put in an appearance. The café-theatres, on the other hand, seem now to be shying away from native authors; their current favourites include Strindberg, Tennessee Williams, Chekhov, the Belgian Michel de Ghelderode, the Polish Slawomir Mrozek, the Guatamalan Miguel Angel Asturias, and other exotic outsiders.

In their principles of organisation, the café-theatres resemble the playhouses of New York's off-off-Broadway: the actors are paid only by the voluntary contributions of the audience, which, perhaps less voluntarily, pays the management by buying drinks. One of the café-theatres I attended, the new Arlequin, did not pass the hat for its actors; I hope that its actors were compensated out of the minimum charge for *consummations*—15 francs, more than an English pound. By a coincidence that I cannot hope to explain, 15 francs happened to be the price of a Coca Cola. A bottle of champagne costs ten times as much. The Coca Cola, I can report, was of a good but not distinguished vintage. I welcome comments on the quality of the champagne.

The best show I saw at a café-theatre was, beyond any doubt, *Amours sans tête*, a mainly pantomimic entertainment by Asturias. Each of the nine episodes has two parts: a woman mimes her love for the man who would be symbolised by a certain sort of hat (topper, pith helmet, sailor's pompom beret, worker's cap, and so forth), and then a man comes on to mime his insufficiency to the role which the cap indicates—but the lovers are at last united in a final episode of more general reference.

The two extremely able and inventive mimes are Michèle Delanty and Marc Olivier Cayre. M. Cayre has also directed and Mlle. Delanty has taped one of the eight speeches expressing women's impossible expectations of man; another of the eight voices belongs to Delphine Seyrig. Altogether, a very original and amusing performance.

Together, or L'Amour ensemble, by George Knowles, is, on the other hand, only a conventionally-written American play which began its life off-off-Broadway. American though the play may be, it is no more than a timely reworking of a favourite French theme, present in *Boeing-Boeing*, among other plays. A university student, determined to "get involved" only sexually, makes love to two girls, a revolutionary and a pop-music fan. The two affairs become enmeshed; the pop fan is tear-gassed, the revolutionary goes underground, and, amid the débris of his shattered love life, the uninvolved hero dresses to go to work, revealing his occupation to us just before the curtain falls: he puts on a policeman's uniform. Obviously, Knowles intends to expose the absurdity of an "uninvolved" relic of the 1950s, somehow resurrected in to-day's university scene, but he does not get beyond labelling his "radical" and "pop" areas of interest.

At yet another café-theatre, Mrozek's one-act play *Strip-tease* is acted in two different moods, black and rose. However it is performed, *Strip-tease* shows us two functionaries who, obeying the commands of a gigantic hand, remove their clothes and apparently go to their destruction; continually, they construct correct and quasi-rational attitudes toward their incomprehensible fate. The "black" interpretation is entirely sombre; the "rose" one makes the functionaries a Latin American general and a cardinal upon whom some youthful revolutionaries seem to be playing a joke. Neither version has the lightness of touch that Mrozek requires. Doing a play of this kind in two different ways is perfectly valid; unhappily, on this occasion, the execution is sadly lacking.

Alberto Remedios and Margaret Curphey in "Lohengrin" which opened last night at the London Coliseum. Ronald Crichton's notice will appear to-morrow

Albert Hall

BBC Symphony Orchestra

by RONALD CRICHTON

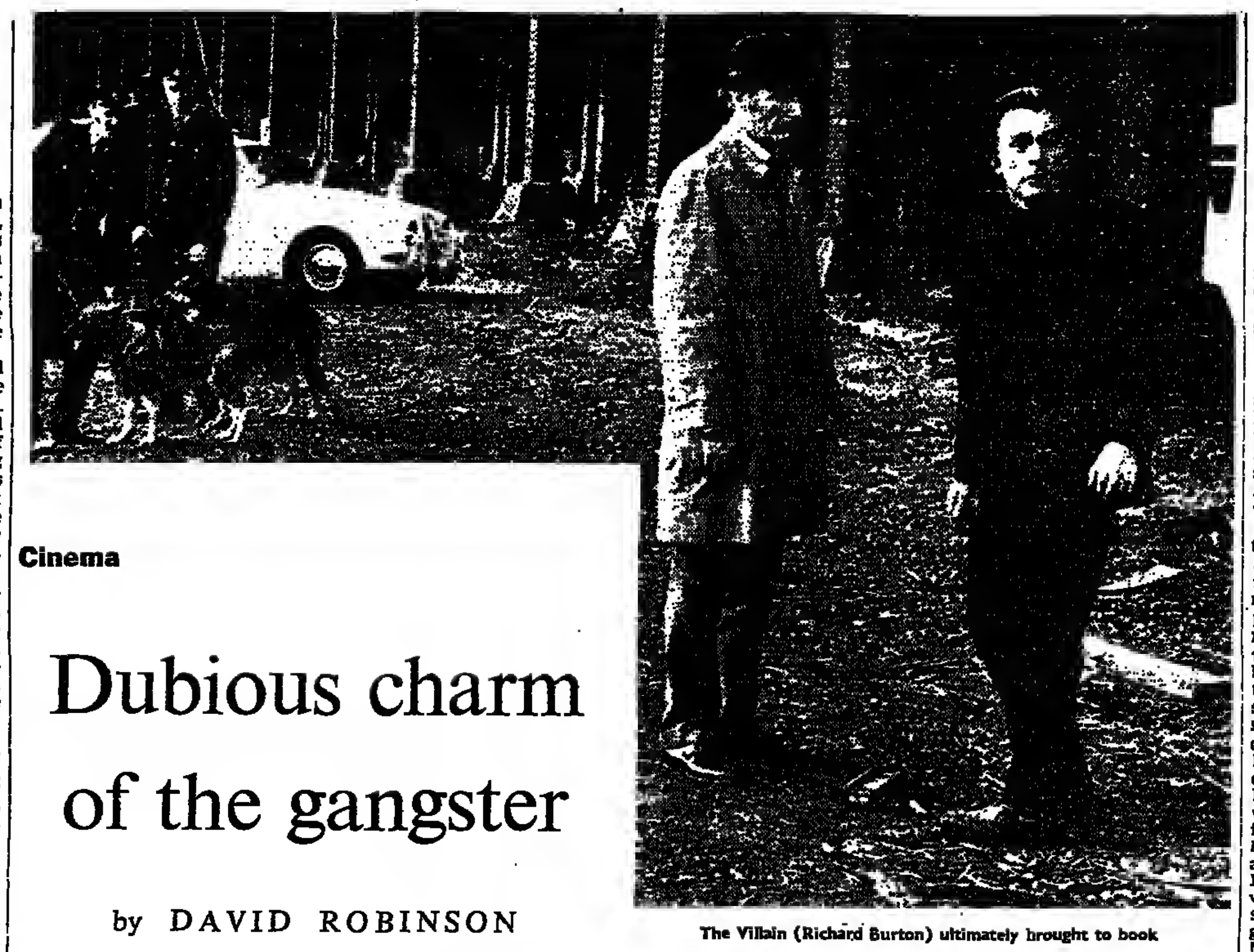
[Opening lines partly cut off at the left edge in the scan] ...olst and Vaughan Williams, ...ds and colleagues, co-...ters in the same musical ...s, yet in some respects so ...rent from one another, were ...esented in Wednesday's Prom ...works that almost comically ...layed these differences. ...t's Fugal concerto for flute, ... and strings, in its first two ...ements at least is short to ...point of inhibition, yet in its ...sly, witty way the final im-...sion is not slight but wiry.

... London symphony of ...ban Williams is an untidy ...as fully of Whistlerian half-...s and half-submerged feel-... inviting and receiving re-...n and second thoughts. Each ... has themes you might find, ...ed briefly or at length as the ... would be, in the other.

...ce the conductor was Sir ...n Boult, the performances ... the stamp of genuineness. ...rchestra was the BBC, play-...without jackets (very sen-...l, also without quite the ...ulous finesse one expects ...em. The soloists in the ... were David Butt and ...nce MacDonagh, who did not fully unfreeze until the finale, to which they might well reply that Holst is so concise that they barely have a chance to warm up before the piece is over. How strange, incidentally, that Holst in 1923 should in his slow movement have hit upon a figure which anticipates Sibelius's *Topiola*, which came two years later.

The symphony was notable for largeness of vision rather than nicety of detail. Yet Boult assembled the mosaic or hotchpotch of moods, and fragments forming the first movement with great sensitivity. To the scherzo, which seems to gain stature and interest with the years, he gave at appropriate moments a kind of *Petrushka* aggressiveness.

Josef Suk being indisposed, Erich Gruenberg took over the Beethoven violin concerto and acquitted himself most creditably. Except for an uncomfortable bar or two in the rondo when cellos and basses blotted their copybooks, support from conductor and orchestra was as reliable as any soloist appearing at short notice could wish for.



The Villain (Richard Burton) ultimately brought to book

Cinema

Dubious charm of the gangster

by DAVID ROBINSON

Villain (X)
(ABC 1, Shaftesbury Avenue)
Girl Stroke Boy (X)
(Prince Charles Theatre)
Zoo in Budapest (U)
(National Film Theatre)

The gangster film produced some of Hollywood's best moments — *Underworld*, *Little Caesar*, *Public Enemy*, *Scarface* and other exposé films of the early thirties; *You Only Live Once* and *Fury*; the realist, crusading films of the forties like *Naked City*, *Brute Force* and *Force of Evil*, mostly made by men like Dassin, Dmytryk and Polonsky, whose dedication to a thirties' left-wing idealism brought disaster to them during the McCarthy nightmare.

Yet the enduring appeal of the genre cannot by any means be attributed to the same sort of high-mindedness in us, the audience, as has often produced the films themselves. In so far as it is ever possible to generalise about the attractions of any particular genre it must more often be our baser instincts that respond, the violence and blood and horrors of the gangster films rather than the propagandist and crusading purpose that draw the audience.

There are certain basic dramatic qualities inherent in the form—the conflict of law and chaos, an element of tragedy in the sense of native powers misdirected in a way that must prove finally self-destructive. But there is also the vicarious pleasure in dominance by violence, in the spectacle of the Superman. The fascination of Al Capone was not entirely unrelated to Fritz Lang's Dr. Mabuse with his ambitions of criminal domination of the world; and the psychological historians have been telling us for years that Mabuse was a portent of Hitler. The lure of gangsters is complex.

Nowadays the genre has created its own sub-divisions. There are the nostalgic (sic) evocations of the twenties and now more particularly the thirties with films like *The St. Valentine's Day Massacre*, *Bonnie and Clyde* and *Bloody Mama*. There is the post-Bond cycle of jet-set crime; the glossy police stories like *Bullitt*, or the more grittily realistic approach of *Madigan*; the "process" type, like *Robbery*, based on meticulous record of the planning and execution of a crime.

Perhaps because British crime has itself tended to lack the big business approach and the glamour publicity of the American gangster world, the approach of the British cinema has tended towards a much more realistic approach, with a strong bias towards character. This is the style of *Villain*, an unusually attractive and compelling exercise in the genre, despite the miscalculated intrusion of some clumsy scenes set in a Profumo-Keeler demi-monde whose plot relevance does not justify the dramatic emphasis laid on it.

The myth and glamour is systematically undermined. The Villain may swagger and flash in West End casinos; but he is privately devoted to his old Mum whom he drives to Brighton for the day on Sundays, and gets very jealous when his boy-friend goes with girls. Like the rest of his confederates, he lives in a respectable Victorian suburban terrace house, with a 21-inch telly and plastic lampshades. The bank robbery is a dismal effort: the quarry are very much better drivers than the crooks, who limp off with the loot but with all the indignity of a flat tyre, a battered bumper and an over-crowded car.

When the Villain is ultimately brouhgt to book, it's not in a climatic storm of violence, but bamboozled by his weakness for his boy, meekly handing over his gun, watched by impassive, shirt-sleeve spectators on the balconies of council flats who are quite unmoved by his last-ditch yells of defiance.

The strength of the portrait is mostly due to Richard Burton's performance, cold-eyed and ugly, rejecting sympathy or glamour, admirably conveying the double image of the Capone-style gangster he aspires to be and the common, average-stupid, taciturn braggart he truly is. There is no dutiful tracing of social causes for his delinquency—after all, his Mum is a sweet old thing and his home life with her exemplary. The underlying pathological sadism comes out only from time to time; but in the whole character we can discover the explanation of the attraction of the boy-friend, a very convincing portrait by Ian MacShane of a pretty, flash, engagingly insolent cockney ponce.

The level is not constantly sustained. The script by Ian le Fresnais and Dick Clement from the novel *The Burden of Proof* by James Barlow does not always avoid stereotypes—the hard-pressed bourgeois home-loving cops; the hospital kidnapping of the confederate who has betrayed the gang; the Keeler bit. But Michael Tuchner, whose first film this appears to be, has a keen eye for action and character (the seedy, skin-deep gilt and plaster glamour of a smart casino; the undramatic arrest on Brighton front); and an ability to keep the film constantly on the move.

*

Girl Stroke Boy has been adapted, for no very substantial reason, from a shortrunning play by David Percival called *Girl-friend*. It has one idea and one joke. The idea—middle-class parents baffled by the unisex partner brought home by their son— is exhausted as soon as stated. The joke—the central heating has gone wrong and the house is tropical—is flogged relentlessly and ineptly.

The absence of comic structure and the weariness of old drawing-room comedy dialogue, is aggravated by cutting as lax and unpointed as a British thirties B-feature. Even battling against such odds, Michael Hordern is such a good actor that he sometimes makes the lines sound as if they were funny; but Joan Greenwood modifies her usual impeccable comic style to something rather nearer to Hylda Baker in TV series comedy, which does not suit her. The director was Bob Kellett.

*

The National Film Theatre's *Tribute to the Fox Studios* continues to bring to light memorable rediscoveries. The latest is Rowland V. Lee's *Zoo in Budapest*, made in 1933, which will be showing at all performances in NFT2 on Sunday. Lee, an actor in films from 1915 and one of the school of directors trained under the great producer Thomas Ince, is a fairly elusive figure. A man of education and wide culture, he was once mysteriously described as "speeding his early days between the New York Stock Exchange, the stage and the pictures." Much of his work, including the celebrated 1927 pacifist film *Barbed Wire* has disappeared.

Zoo in Budapest is an incorrigibly romantic film, about the love of an orphaned animal trainer who has more confidence in the dumb beasts than his fellow-men, and a girl from the orphanage (a very young and beautiful Loretta Young). Their adventures as, together with a runaway child, they are pursued by night through the zoo, end with a climatic scene of the animals all escaping, and the hero's last-minute rescue of the child. Impossibly larger and wilder and more romantic than life, they are played with such belief and integrity as to demonstrate classically the principle of the "suspension of disbelief." You want to believe, and do. Above all Le Garmes' exquisite photography is a tribute to the craft of the Hollywood cameraman in the great days.

Watcher in the night

by KENNETH ADAM

At the last time of counting there were more than 2,000 recognised television critics in the United States. This is a larger number than that of those who write about films, or, indeed, books. Outside half a dozen cities, theatre critics hardly exist, largely because there is nothing for them to write about. The number of television writers is high not only because, of course, the medium is all-pervasive, but also because of time-zones and local shuffling of the predominantly filmed product. So the syndicated correspondent, who dominates the political, literary and social fields, is an inappropriate figure in this one. Bleak as the prospect of writing regularly about American programmes must be, it does attract, in the absence of other outlets, many intelligent people, often neighbourhood academics, to a weekly or even a daily column. On the whole I would rate their performance high, often higher than the object of their attention on the box. in the history of criticism, this kind of thing has happened before.

Last fall, in a tour embracing 20 States, I found solid and often sharp work being done in the most unlikely places, Billings, Montana, for example, and Waco, Texas. It goes without saying that the city newspaper must itself be good of its kind if this is to happen. It is essentially a local activity. These latter-day George Jean Nathans and John Mason Browns never make it out of the state. There are, in fact, only two American critics who are nationally known and respected, Jack Gould of the New York Times, and Robert Louis Shayon, of the Saturday Review.

Gould, for a generation now, has been snapping at the heels of Hollywood into whose unimaginative hands programmes have largely fallen. But he has more than a nuisance value. He is, in fact, a new kind of animal on the critical scene, an investigator of the monolithic structure of American broadcasting who is also an Aristotelian, reporter and theorist rolled into one. But both sides of his work must be done in the hurly-hurly of daily journalism.

*

Shayon also has his deadlines to meet but they are less pressing ones. He is a teacher at the University of Pennsylvania, and his articles which have been appearing in the Saturday Review for 20 years are at once philosophical and passionate. He has now chosen to publish a selection of his ephemera and submit them to examination by severe and permanent standards. *Open to Criticism* is just published by the Beacon Press at $9.95, and will, one hopes, be taken up over here, perhaps by one of the university presses. Shayon, whom I know well, as I teach "in another place" in Philadelphia, and in whom I therefore declare an interest, believes that the critical spirit is one of the highest signs of human intelligence, and he seeks to spread its influence through contemporary society which is, in his view, more in need of it than any that has gone before. He took the deliberate course of becoming a critic of the mass media, and has never wavered from it. He virtually excludes the performing arts from his collection, which is a pity, in order to concentrate on the politics of the television industry, and of the regulatory agencies which are so much more obscure than ours.

He attempts all the time to ascertain the true nature of broadcasting as it exists in the United States and as it could be improved. He has scant use for the massive dominance of business, for the three coast-to-coast networks, National, American and Columbia, though since the book was compiled he has ranged himself on the side of their news and current affairs departments, which have been under such hot fire from Vice-President Agnew, and, more recently, over "The Selling of the Pentagon," from Congress itself. Like Dr. Johnson, he distinguishes nature from custom, "that which is established because it is right, from that which is right only because it is established." It is surprising how often, in a comparatively young country, one has to do just that.

The part of Shayon's argument, and the illustrations he gives, with which I find myself in greatest sympathy is this: that television coverage of public events, especially when live, is the most reliable communication of democracy in action that we have to-day, whether it be the Kefauver crime hearings of 1958, the appearance of Joe Valachi of Cosa Nostra before the Senate in 1963, the death and funeral of President Kennedy in 1963, the Democratic Convention of Chicago in 1968, or the Vietnam Moratorium Marches of 1969. We can think of our own examples.

I also sympathise with his bizarre experiences of censorship. I cannot believe Shayon's reaction to watching an interview with the father of a girl killed at Kent State by the National Guard would have been turned down over here as "too editorial." He prints it now. It is a moving plea for tolerance.

What I cannot sympathise with is a snap judgment, after ten days in Britain in 1968, which leads him to conclude that BBC television is "an endless flow of pop, pap and pomposity destined to be unmemorably consumed." There are other insensitive judgments outside his chosen battleground. What this gifted, challenging man needs now is to get off campus into the rough world where he, too, will be "open to criticism."

Elizabeth Hall

Summer Song

by GILLIAN WIDDICOMBE

Wednesday's Summer Song recital at the South Bank included a treat and cheat in the form of no less than the outstanding pianist Radu Lupu taking a turn on the accompanist's stool. This does not mean, of course, that Mr. Lupu has abandoned his concertos: more likely that his appearance there was provoked by a straightforward practical connection: he shares the same agent as Sheila Armstrong and Gerald English, whose evening it ostensibly was.

However, Lupu's contribution to the evening was so memorable that with Gerald Moore fathering the proceedings one might as well remember accompanist first. Naturally he was not the sort of accompanist who twitches cuffs and rubs palms on kneecaps before he sets off at the predetermined tempo. Personality flowed. The five Brahms songs were given an unusually disquieting background, particularly "Edward," where the dramatic interest is usually hogged by the two characters who share the narration. The four Mahler songs from *Des Knaben Wunderhorn* received almost an orchestration from Mr. Lupu. Yet the four by Duparc were perhaps the most rare: such subtle accompaniments, gentle but tinged with sharpness. Mr. Lupu was also allowed a brief appearance as soloist, with the three Brahms Intermezzi from Opus 117, which he played with mature rhapsodic poetry.

Miss Armstrong and Mr. English were well able to hold their own. They are a well matched pair: both unusually articulate, elegant and expressive singers, perfectionists in idiomatic inflection in several languages. Her vocal quality is perhaps better suited to Lieder than his; she stole the Brahms and did the Mahler wittily and enchantingly. He has not exactly the hard brilliance that Tippett demands at the top of the tenor voice in *Boyhood's End*, but his expressive intensity made up for that: and he caught the wistful whimsy of the four Ives songs exquisitely.

Finally Miss Armstrong showed how much her work has relaxed and flowered in the last few years, by letting her hair down with four of Copland's folksong arrangements, which she sang with easy relish and no trace of the self-conscious charm that has sometimes cast a frosty gloss on her work in the past. As finale we had two hilarious encores: a delightful Italian pastoral love duet, unannounced but approximately Cavalli (who daren't singers say!); and a comic Handelian leg-pull to Old Mother Hubbard, probably Hely Hutchinson.

English Opera Group at Sadler's Wells Theatre

The English Opera Group will be appearing at Sadler's Wells Theatre, Rosebery Avenue, from Friday, September 17, to Saturday, September 25. The season opens with the London premiere of Colin Graham's new version of Purcell's *King Arthur* conducted by Philip Ledger.

A new production of *The Turn of the Screw* will be presented on September 18, 20 and 22. Benjamin Britten conducts on September 18 and 20, Henry Ward conducts on September 22. The cast is led by Catherine Wilson as the governess, Rae Woodland as Miss Jessel, Sylvia Fisher as Mrs. Grose and Peter Pears as Quint (except on September 22 when Robert Tear sings the role). The production is by Colin Graham with scenery and costumes by Yolanda Sonnabend.

There are also two performances of Britten's *A Midsummer Night's Dream*, conducted by Steuart Bedford on September 23 and 25. The cast is led by Owen Brannigan as Bottom.

British paintings for Paris

The British Council is preparing an exhibition of British paintings and drawings of the late 18th and 19th centuries, to be held in Paris at the Petit Palais from mid-January to mid-April, 1972. The exhibition will be the first major showing of British old master paintings in France since the war and one of the largest undertakings of its kind by the council.

The project has the support of museum authorities in Paris and will be welcomed by French scholars and art lovers as an opportunity to see important works by Turner, Constable, Gainsborough, Lawrence, the water colourists and the Pre-Raphaelites.

Farming and Raw Materials

Further fall in tin on lack of support buying

BY JOHN EDWARDS

TIN prices moved lower again on the London Metal Exchange yesterday following the failure of the buffer stock manager of the International Tin Agreement to start support buying. Cash tin closed last night £6.50 down at £1,413.50 a metric ton, the lowest level since May, 1969.

With the apparent absence of the buffer stock manager as a buyer yesterday, market sources were wondering whether previous reports that he had intervened in the market on Wednesday morning were justified. It is not understood why the buffer stock, which started support buying in February to stop prices falling below £1,435 a ton, is apparently now prepared to allow values to decline to a lower level. Especially puzzling is the fact that with the three months price at a £20 premium to the spot quotation, it would be a good time to buy cash tin at present.

With the disappearance of the U.S. steel industry strike, which could have hit demand, and the revival of some consumer buying interest, it is believed that the sudden downturn in London tin prices is attributable to one dealer deciding to test the market and see when the buffer stock would start buying. However, the lower level of prices has brought added caution from sellers, who fear that the buffer stock manager is certain to intervene shortly.

Chilean copper

In the copper market the news that the strike at the El Salvador mine in Chile had ended, was matched by a Reuter report from San Francisco that no progress had been made in negotiations to end the stoppage at American Smelting and Refining Company—one of the big four U.S. copper producers—that started on July 1.

Despite the precedent set by the settlements reached with Kennecott and Phelps Dodge, disagreement over a cost-of-living escalator clause in the new labour contract was reported to be holding up a settlement.

The return to work at El Salvador in Chile, with the 4,500 miners accepting a 33 per cent. wage increase against previously sticking out for 46 per cent., followed a personal visit by President Allende to the union leaders. The stoppage that started on August 1 is estimated to have cost Chile some $4m. in lost production.

A 24-hour walk out by experts at the Chuquicamata and Exotica mines in protest against alleged political appointments to key jobs was not expected to affect production. However, a general shake-up in the Chilean Cabinet, with four members offering their resignations, is believed to affect the mining side too.

Meanwhile, a warning of a possible drop in the price of copper was given in Lusaka yesterday at a seminar held on the Zambian copperbelt. It came from Mr. Maurice Smith, sales agency director of the International Council for Copper Producing Countries (Cipec) who forecast world output of copper would rise 4½ per cent. in five years' time.

Cuts sought in training grants

Financial Times Reporter

BIG CUTS in some of its training grants to farmers and growers—and their complete withdrawal in some cases—are proposed by the Agricultural, Horticultural and Forestry Industry Training Board, it was announced yesterday. Restrictions on its training budget and an increased demand for training have also forced it to "ration" the places in its new-entrant training scheme launched only last April.

The Board is awaiting the approval of the Secretary of State for Employment for the withdrawal and cuts in grants. If approved the main cuts will affect grants for training establ...

Employers of apprentices under the new-entrant and agricultural apprenticeship scheme will still be able to claim the basic grant of £100 in the first year and £80 for each subsequent year, but the additional grant for attendance at courses of associated further education will be cut to £1 for each day over 30 a year, compared with £1.50 for each day over 24 a year at present.

Meanwhile, the Department of Employment announced yesterday that the Agricultural, Horticultural and Forestry Industry Training Board, will be relieved of its responsibility for forestry training. This training is to become the concern of a new, voluntary council, set up under the auspices of the Forestry Commission.

Potato buying prices fixed

By Our Commodities Staff

MINIMUM prices at which 1971 main crop potatoes may be bought up by the Potato Marketing Board, if a buying programme is needed to take up surplus supplies, were announced yesterday by the Ministry of Agriculture.

They are £14.20 a ton for delivery in October, £14.70 November, £15.20 December, £15.70 January 1972, £16.45 February and £16.95 for March delivery.

It is believed that the Potato Board and Government spent a record £18m. in buying up surplus supplies from the 1970 crop.

Record U.S. maize yield forecast

WASHINGTON, August 12.

TOTAL supplies of U.S. corn (maize) available for the new marketing year beginning October 1, will be at a record of over 6,000m. bushels including stocks carried over, if the Agriculture Department's initial prediction for this year's crop proves correct.

The Department's crop reporting Board forecast 1971 corn output, based on August 1 conditions, at a record 5,345.0m. bushels—30 per cent. above the 4,110.0m. bushels produced last year and 12 per cent. or 585.0m. bushels above the previous record in 1967.

However, the Department's initial production forecast for 1971 makes no allowances for blight damage which may show up later.

Last year, both blight and drought hit the 1970 crop and eventually cut output 15 per cent. from a record yield initially forecast in July last year. Damage from blight last year did not start showing up in the Department's monthly estimates until August.

Mr. Don Paarlberg, the Department's chief economist, commented that the record crop currently forecast for this year was not yet in the crib. Corn blight had shown some increase in recent weeks and the threat of widespread damage remained.

He predicted that with the blight already present in the corn-producing areas, there was a greater likelihood for an eventual decline than for an improvement in this year's production prospects.

If the crop eventually yielded the currently predicted output, likely results could be low prices, a heavy take-over by the Commodity Credit Corp and over-stimulation of livestock production, he predicted.

If corn consumption both domestically and for export, during the coming marketing year matched the projected 4,414.0m. bushels this season, carry-over stocks on October 1, 1972, would more than double to around 1,600m. bushels.

Meanwhile the USDA corn blight information centre reported slight to substantial increases in the severity of southern corn leaf blight in most of the corn belt states during the past week.

Substantially more husk infection was noted in some states than a week ago, it says. Most serious and widespread pockets of infection continued to be found in the Southern portions of Illinois and Indiana, and in Eastern Iowa. Those states also reported a general increase in infection levels in all growing areas.

Canada's poultry war over

BY OUR OWN CORRESPONDENT EDMONTON, August 12.

CANADA'S interprovincial chicken and egg trade war is over.

At its height a couple of months ago, Quebec egg marketing inspectors were searching store counters for eggs from outside the province, while Ontario broiler marketing inspectors were doing their best to keep Quebec chickens out of that province's stores.

The Manitoba government finally brought the dispute to a climax by establishing an egg marketing Board similar to Quebec's, and then arranging to have its legality on constitutional grounds appealed to the Supreme Court of Canada.

A few weeks ago, the court ruled that Manitoba's marketing scheme was unconstitutional. It trespassed on the exclusive right of the national government to regulate interprovincial trade.

The decision by inference made Quebec's chicken and egg marketing system illegal, and questioned tariff-like practices by marketing systems established in other provinces.

Provincial agriculture ministers meeting here two weeks ago apparently worked out a final solution behind closed doors, a solution accepted by a meeting of the ten provincial premiers in Victoria, B.C., a few days ago.

As disclosed by Alberta Premier Harry Strom on his return here from the Victoria meeting, the solution is simplicity itself. Each province has agreed to restrict voluntarily its own shipments of chickens and eggs into other provinces.

U.S. seeks extra sugar imports

WASHINGTON, August 12.

THE U.S. domestic sugar requirement for 1971 has been raised by 100,000 short tons, raw value, to a total of 11.3m. tons, the Department of Agriculture announced here to-day.

As a result of the increase in the total quota and a declared supply deficit of 4,908 tons from Haiti, overseas suppliers will be able to ship an additional 87,575 tons, raw value, of sugar to the U.S. providing it arrives at U.S. ports on or before September 25.

Domestic cane sugar suppliers will provide 17,333 tons out of the 100,000 tons increase.

The Department said it was not practicable to obtain the sugar needed at this time by making allocations to individual foreign countries.

Allocations for the additional sugar will be made on the basis of applications from eligible overseas suppliers, with first priority given to the earliest arrival date offered.

Reuter

1971 low for London rubber

By Our Commodities Staff

THE spot price for No. 1 RSS grade rubber fell to a new low for the year in London yesterday, despite reports of renewed support-buying operations in the eastern market by the Malaysian Government. Closing last night at 14.3p per kilo, the London spot price was 0.2p down on the day and 0.1p under the year's lowest level.

From Kuala Lumpur yesterday, Reuter quoted market sources as saying the Malaysian Government had bought a "fair quantity" of August delivery rubber and appeared to be taking up all the surplus that is currently helping to depress values.

EEC unable to meet food aid deadline

By Our Commodities Staff

THE European Common Market countries are unable to fulfil commitments to the World Food Aid Programme to supply 35,000 tons of butter and 120,000 tons of skimmed milk powder, reports Agra Europe.

It is understood that about half the quantities promised have been delivered, but the EEC Commission now claims that present pressure on Community stocks makes it impossible to deliver the remainder at present.

The deadline for delivery of 18,600 tons of butter oil and 64,000 tons of skimmed milk has already been extended by nine months to September 30 this year, but the EEC is now seeking a new deadline of June 30, 1972, with an option for a further extension

STOCK BREEDING

Opening the way for a race of mongrels

BY JOHN CHERRINGTON, AGRICULTURE CORRESPONDENT

THE Minister of Agriculture's decision to abolish statutory licensing for boar pigs and drastically amend bull licensing can be seen as a continuation of his policy of disengagement from matters which he feels should be the farmers' own concern. No one, in his view, knows better than the farmer which sire to use on his herds. In the opinion of many farmers also, the continuation of the measure as it was being run was completely out of step with modern developments in animal breeding.

Bull licensing was first introduced in the U.K. in 1931 as a measure to improve the standards of the cattle herd, by preventing the use of "scrub" bulls by farmers—boar licensing followed after the war. There were at that time of farming depression some grounds for a measure of this sort. Some of the bulls being used by farmers were of very poor quality, but as these breeders seldom kept their own home-bred calves for rearing, they were able to disregard this, and leave to others who bought them the painful discovery that these beasts would never make the grade as they matured.

Selected

Since then things have changed. Thanks to the spread of artificial insemination, 70 per cent. of dairy cows are mated in this way. This means that the bulls used for this proportion of the national herd are carefully selected by the management of the service, predominantly the Milk Marketing Board, and that those who still keep their own bulls are generally speaking large farmers with a definite interest in animal breeding, unlikely to use anything but what they consider to be the best.

The main purpose of keeping bulls to-day is mating with heifers destined for the dairy herd, and with beef breeding cows. These cattle are generally living out of doors, and are difficult to serve by artificial means because of handling difficulties. Pure-bred beef bulls are generally kept for this, and I would have thought it within most farmers' competence to choose the bull they feel would suit their policy best, by eye and pedigree.

For this, after all, is the only criterion of bull licensing as far as beef breeds are concerned. The standards are in general those of the show ring, and there has been very little progeny testing and other forms of evaluation as practised in dairy cow breeding. The Milk Marketing Board has just started such a programme, but the beef breed societies have been reluctant to embark on these experiments. They are the arch supporters of bull licensing, because they feel that it perpetuates their own criteria, and also the interests of their members.

But the abolition of licensing is not just an exercise in money saving (about £100,000 will be cut from Ministry expenditure), nor is it just a matter of slapping down the breed societies. Many farmers and scientists have thought for a long time that the future of cattle-breeding lies in the development of hybrids. The argument is that the poultry industry has only been able to make the progress it has over the past 30 years because stock was bred simply for egg or meat production, without regard to breed points of any sort.

There has always been a great deal of cross-breeding among beef cattle, but this has always involved the use of pure-bred bulls, so that the calves are invariably of an easily-recognisable colour or type, with a fairly recognisable performance which is enhanced by what is called hybrid vigour. This in effect means that the progeny from the mating of pure-bred animals of separate breeds has usually resulted in a better performance in growth rate than either of the parents. The reason for this is obscure, but is probably because most pure-bred animals have been inbred to a degree, and the infusion of fresh blood can do little but good.

Hybrid bulls

The use of crossbred bulls which will now be possible would remove the accepted identification marks of the present hybrids, and produce what any traditional cattle man would call mongrels, creatures whose development and productivity could in no way be predicted. But this may not be true at all. Most of the present judging standards for live cattle concern conformation—a good back, square legs, deep bodies and so on. But except for the loin and rump, where the choicest cuts are found, the other breed points accentuate the proportion of stewing steak or even useless fat.

If my reading of the Minister's proposal is correct, farmers will in future be able to use hybrid and crossbred bulls, subject only to a certificate from a veterinary surgeon that there are no hereditary genetical defects in the animal. Breed societies will always be able to issue warranties of breeding for bulls sold by their own members.

In this action the Minister is only following the lead of Norway. About 20 years ago, the Norwegians decided that the only way to breed cattle was for the qualities of health, milk production and ease of milking. At that time there were in Norway about 20 separate breeds; to-day there is only one, a mixture of Ayrshire and Friesian of mixed colouring and a physical conformation that quite shocked my traditionalist eye. Nevertheless, the cattle are economical producers, well suited to their environment, and almost perpetual indoor living. Similar hybridisation could probably with profit be adopted here, or at least tried out. It's believed that quite a few farmers have plans to this end, as have some institutions.

Fertility

In contrast to the cattle breed societies, almost no one will bewail the end of boar licensing. It was practically unenforceable, and most pig farmers are well able to look after themselves and their market.

The abolition of sire licensing will not mean that careful, recorded breeding will vanish. These animals will only lack a certificate signed by a civil servant that they are what their owners say they are, for in essence all depended on the honesty of the original breeder. And this will be just as crucial as it ever was.

I end with a cautionary tale, and a true one. About 40 years ago a well-known breeder bought a bull for a record price. After a while it was found that this bull was infertile, but there was no guarantee of fertility and the owner had to get his money back somehow. So another bull of the same breed was used, and his progeny entered the herd book on these false pretences. Since when they have no doubt thoroughly infiltrated the breed, and no one is any the worse off. And all the bastard bulls of this union were duly licensed according to statute.

COMMODITY MARKET REPORTS AND PRICES

BASE METALS

COPPER—Little changed after another uneventful day's trading on the London Metal Exchange. Forward metal moved between extremes of £460 and £462½, the steadiness reflecting the market's disposition to await fresh developments. News that the El Salvador strike had ended had little effect. Turnover, 6,650 metric tons.

Henry Gardner and Co. reported that in the morning, cash wirebars traded at £452, 51, 51.5, mid-Aug. £452, late-Oct. £460, three months £462, 61.5. Cathodes: cash £439.5, three months £449.5. Kerb: bars: three months £461.5, £462, £461.5. Afternoon: Wirebars: cash £451, 52, late-Aug. £453, late-Oct. £460, three months £461.5, 62, 62.5. Kerb: cash £451.5, three months £462. Cathodes: cash £440.5, three months £451.5, 51. Kerb: three months £451, 50.5, 51.

COPPER	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Wirebars				
Cash	451-.5	.....	451.5-2.5	+.25
3 months	461.5-2	−.6	462-.5	.....
Settlem't	461.5	.....	—	.....
Cathodes				
Cash	439.5-40	.....	440.5-1	.....
3 months	449.5-50	−.5	450.5-1	−.25
Settlem't	440	.....	—	.....
U.S.Smlt.	—	.....	*52.75-55	.....

TIN—Down again. Selling, especially of forward metal, and the easiness of the nearby supply position caused further losses in prices as there was apparently no renewed support from the buffer stock manager. Prices staged a small rally in the afternoon owing to short covering. Turnover, 360 tons.

Morning: cash £1,418, 17, 12, mid-Aug. £1,416, early-Oct. £1,430, late-Oct. £1,432, three months £1,435, 30. Kerb: three months £1,431. Afternoon: cash £1,413, mid-Aug. £1,414, three months £1,430, 31, 30. Kerb: cash £1,414, three months £1,431, 32.

TIN	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	1411-2	−16	1413-4	−6.3
3 months	1429-30	−14	1430-1	−8
S'ment	1412	−15	—	.....
Straits Ex	1450.28	−5.47	—	.....
New York	—	.....	*164.25	−1½

LEAD—Closed higher. After initial easiness, prices turned upwards following good buying of forward metal from one quarter. Turnover, 3,225 tons.

Morning: cash £109, 7.75, three months £111. Afternoon: cash £108, £108.3, three months £111 to 11.75. Kerb: cash £108.5, three months 1111.75.

LEAD	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	107.5-8	−.125	108.25-.75	+.325
3 months	110.75-11	−.25	111.75-12	+.75
S'ment	108	.....	—	.....
N.Y. Spot	—	.....	*14-14½	.....

ZINC—Gained ground. A further small widening in the contango was caused by renewed buying of forward metal while there was heavy lending of cash. Turnover, 4,750 tons.

Morning: cash £133.75, three months £137.75. Afternoon: cash and mid-Aug. 1134.25, mid-Sept. £135.75, three months 1138, 38.25, 38.5. Kerb: three months £138.25.

ZINC	a.m. Official	+ or −	p.m. Unofficial	+ or −
	£	£	£	£
Cash	133.75-4	.....	134-.5	+.625
3 months	137.75-8	+.25	138.25-.5	+.75
S'ment	134	.....	—	.....
E. St. Louis	—	.....	*17	.....

* Cents per lb. † On previous unofficial close.

SILVER

Silver was fixed 0.7p an ounce higher for spot in the London bullion market, at 65.8p (150.2c). The three-month and six-month prices also gained 0.7p, but the 12-month rose 0.9p. A moderate business was done, with prices closing around the fixing level.

SILVER (per troy oz.)	Bullion fixing (selling prices)	+ or −	LME close	+ or −
Spot	65.8p	+0.7	65.85p	−0.35
3 months	67.0p	+0.7	67.05p	−0.4
6 months	68.3p	+0.7	—	.....
7 months	—	.....	68.85p	−0.3
12 months	71.1p	+0.9	—	.....

LME—Turnover 134 (115) lots of 10,000 ozs. Morning: late Sept. 68.2, three months 66.9, 67.0. Kerb: three months 66.9p. Afternoon: cash 65.9, three months 67.0, 67.1, 67.0.

COCONUT OIL

Featureless, reports G. W. Joynson. Close: Sept. £125-£129 (same), Nov. £123-£128 (same), Jan. £121-£127 (same), March £120-£125 (same), May £119-£124 (same), July £117-£122 (same), Sept. £120-£123 (same). Turnover 9 (0) lots of 20 tons each. Price basis ex-tank Rotterdam.

COCOA

Early selling was absorbed by profit-takers and thereafter the tone was steadied by fair consumer demand, reports Gill and Duffus.

COCOA	Yesterday's Close	+ or −	Business Done
No. 2 Contract			
September	246.0-6.5	−0.5	243.5-6.0
December	254.0-4.5	.....	251.0-4.5
March	258.5-9.0	−0.5	256.0-9.0
May	262.0-2.5	−0.5	259.3-62.5
July	266.0-6.5	+0.5	263.0-5.0
September	269.0-70.0	+0.5	267.0-70.0
December	275.5-4	−1.0	271.0-3.0

Sales: 3,173 (4,160) lots of 5 tons each.

FREIGHTS

DRY CARGO—Grain shippers fixed a cargo from the U.S. Gulf to Holland at $2.75 f.i.o. for Sept. and another from Chicago and the St. Lawrence to Hamburg at $8.65 f.i.o. for Aug. A 20,000 tons grain cargo was booked from Norfolk to Amsterdam at $71,000 f.i.o. for Sept. while maize from S. Africa to three Japanese ports paid $6.50 free discharge for Oct. A small cargo of calcined petroleum coke was covered from New Orleans to Antwerp at $9.00 f.i.o. for Sept. and a phosphate cargo from Tampa to the Weser at $3.90 f.i.o. for prompt. Indian brokers awaited approval on phosphate fixtures from Akaba to India and on pig-iron fixtures from East India to Japan.

OIL TANKERS—Fairly quiet with rates in the Caribbean sector becoming firmer. A 19,000-tonner was taken from the Caribbean to USNH on Aug. 14 at Worldscale 105. In the Persian Gulf sector a 105,000-ton relet was taken to the West on August 30 by Atlas at W48½ and a 92,000-ton relet was taken by Frota from the Gulf to Brazil on Aug. 23 at W50. A 57,000-tonner was fixed by Soponata for PG-Lisbon at W55.

COFFEE

Futures advanced largely on nervous short-covering together with some stop-loss buying in the near Sept. position, but towards the close profit-taking pared the gains.

COFFEE	Yesterday's Close	+ or −	Business Done
	£ per ton		
September	376.0-6.5	+4.5	372.0-7.0
November	359.5-60.0	−1.25	360.0-0.6
January	354.0-4.5	−1.0	353.5-5.0
March	349.5-50.0	−1.0	349.5-50.5
May	346.5-7.0	−1.0	346.0-7.5
July	344.0-4.5	−0.5	343.5-5.0
September	343.0-3.5	−0.5	342.0-2.5

Sales: 203 (229) lots of 5 tons each.

Latest published ICO indicator prices (U.S. cents per pound): Colombian Mild Arabicas 47.00 (same). Other Milds 45.75 (same). Unwashed Arabicas 42.00 (same). Robustas 42.22 (same). Daily average 45.75 (same).

COTTON

Unchanged, reports Eccles and Stern. (New pence per kilo)

COTTON	Yesterday's Close	+ or −	Business Done
October	30.40-.80	.....	—
December	30.40-.80	.....	—
March	30.40-.80	.....	—
May	30.40-.80	.....	—
July	unquoted	.....	—

Turnover 0 (0) lots of 10,000 kilos each. Strict middling 1 1/16 inch. Pressley 75,000 lbs square inch micronaire 3.5-4.9.

LIVERPOOL—Spot and shipment sales amounted to 105 metric tons bringing the total for the week to 303 tons, reports F. W. Tattersall. Demand remained light in view of high prices and offtake was desultory mainly in American-type varieties.

RUBBER

SLIGHTLY STEADIER at the opening, with little interest shown throughout the day, closing on a quiet note. Lewis and Peat reported a godown price of 90.50 Malayan cents a kilo (buyer, August).

Contract	Previous Day's business	12.45 p.m. Official prices	Closing buyers' prices	Rise or fall
C.I.F.	p	p	p	p
August	not avail.	15.5*-.7*	13.5*	—
Sept.	not avail.	15.65-.9	13.75	+0.01
Oct.	not avail.	14.0*-.2*	14.0	—
Landed				
Spot	—	14.45-15.0	14.3	−0.2
Sept.	14.3	14.65-.85	14.45	−0.3
Oct.	—	14.9-15.1	14.7	−0.3
Nov.	—	15.35-.45	15.25	−0.15
Oct.-Dec.	15.4	15.35-.45	15.25	−0.15
Jan.-Mar.	—	16.2-.4	16.15	−0.1
Apr.-June	17.05-.1	17.05-.15	17.0	−0.1
July-Sept.	17.85	17.7-.9	17.7	−0.05
Oct.-Dec.	—	18.3-.5	18.3	−0.05
Jan.-Mar.	—	18.75-.95	18.75	−0.05
Apr.-June	—	19.2-.45	19.2	−0.05
July-Sept.	—	19.45-.7	19.45	−0.05
Oct.-Dec.	—	19.7-.95	19.7	−0.05

* Nominal.

Malayan thick crepe Sept. 20 (seller). Ceylon thick crepe Sept. 22.7 (seller).

GRAINS

THE BALTIC—Moderate quantities of U.S. corn sold for transhipment to various U.K. ports and optional denatured feed wheat also met a limited offtake.

Wheat: U.S. Red Winter No. 2 Sept. transhipment £26.60 seller East Coast. U.S. Hard Winter No. 2 13½ per cent. Sept. transhipment £29.20 seller East Coast. Australian f.a.q. Oct. transhipment free out £29.25 seller Tilbury. French Aug. £26.20 seller East Coast.

Maize: No. 3 Yellow American Sept. £25.20 seller Tilbury.

Barley: Canadian No. 2 Aug. £25.25 seller Avonmouth levy buyers account.

MARK LANE—Average sellers' prices per long ton delivered London area unless otherwise stated: Wheat—Soft Milling Aug.-Sept. £24.50 value: Feed £24 value. Barley—Malting Aug.-Sept. £25-£31 as to quality: Feed £22.50 value. Oats—Milling Aug.-Sept. £22.50 value: Feed unquoted.

LONDON HOME GROWN FUTURES—Wheat, very steady. Close: Sept. 24.250, Nov. 25.225, Jan. 26.125, March 26.975, May 27.500. Business: Jan. 26.075, March 26.975-26.925. Barley, steady. Close: Sept. 22.550, Nov. 23.325, Jan. 24.675, March 25.475, May 26.275. Business: Sept. 22.550, Jan. 24.650, March 25.450, May 26.200.

HGCA—Location average ex-farm spot prices. Soft milling wheat—Hitchin £22.60. Feeding barley—Hitchin £21.00.

SOYABEAN OIL

In line with physicals, buyer market nominally higher, otherwise featureless, reports G. W. Joynson.

Soyabean Oil	Yesterday's Close	+ or −	Business Done
	£'s decimal long ton		
September	176.0-84.0	+1.0	—
November	136.0-42.0	+0.5	—
January	126.0-34.0	.....	—
March	126.0-33.0	+1.0	—
May	126.0-30.0	−0.5	—
July	125.0-30.0	−0.5	—
September	120.0-70.0	−1.0	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

SUGAR

LONDON DAILY PRICE—Lower at £37.50 (£42.50) a ton c.a.f. for Aug.-Sept. shipment.

Prices showed little change at the opening but values improved as buyers found a scarcity of selling interest and by midday gains of up to 25 points had been recorded, reports C. Czarnikow. Prices traded in a 10 points range in the afternoon session with the lower offers being easily taken up, although buyers were unwilling to raise their ideas.

Sterl'g Pre. Comm. Con.	Yesterday's Close	Previous Day's Close	Business Done
	£ per ton		
Aug.	45.70-.75	45.50-.55	45.80-.70
Oct.	44.50-.55	44.40-.47	44.25-.66
Dec.	44.65-.70	44.55-.60	44.35-.90
Mar.	45.70-.75	45.50-.60	45.40-.80
May	45.75-.80	45.60-.65	45.50-.90
Aug.	45.45-.50	45.35-.40	45.10-.55
Oct.	45.15-.20	45.05-.10	44.93-45.21

Sales: 1,534 (1,632) lots of 50 tons each.

Tate and Lyle's ex-refinery prices for granulated in 1-cwt paper sacks were £4.24 (£4.254) for home trade and £59.50 (£60.03) per ton for export.

SUNFLOWER OIL

Buyer market nominally higher in line with physicals, reports G. W. Joynson.

Sunflower Oil	Yesterday's Close	+ or −	Business Done
	£'s per long ton		
September	160.0-3.0	+1.0	—
November	161.0-4.0	+1.0	—
January	159.0-64.0	+0.5	—
March	159.0-3.0	+1.0	—
May	156.0-9.0	+1.0	—
July	156.0-8.0	−0.5	—
September	153.0-7.0	.....	—

Turnover 0 (0) lots of 20 metric tons each. Price basis ex-tank Rotterdam.

WOOL FUTURES

MERINOS—Neglected, reports Bache. (New pence per kilo)

Dry combed wooltops	Yesterday's Close	+ or −	Business Done
October	81.2-2.0	+0.15	—
December	83.5-...	.....	—
March	84.7-5.3	+0.2	—
May	85.2-6.3	+0.25	—
July	85.2-6.3	+0.25	—
October	85.7-6.3	+0.25	—
December	85.9-7.3	+0.35	—

Turnover 6 (10) lots of 2,250 kilos.

SYDNEY—Quiet. Close: Oct. 140.5-140.8, Dec. 143.2-143.5, March 146.5-146.8, May 149.5-149.8, July 151.2-151.5, Oct. 151.9-152.1, Dec. 152.5-153.0.

JUTE

DUNDEE—Steady with offers being freely made. Prices c.i.f. U.K. for Aug.-Sept. shipment: PWB £156, PWC £146, PWD £137. Tossa: PTB £163, PTC £154, PTD £144. Calcutta goods firmer. Quotations c. and f. U.K. for August shipment: 10-oz 40-inch £7.11, 7½-oz £5.40 per 100 yards: Sept. £7.03 and £5.36: Oct.-Dec. £6.92 and £5.28. "B" twills £18.26, £18.49 and £18.73 for the respective shipment periods. Yarns and cloths quiet but prices firm.

LONDON—Quiet. PWC grade Sept./Oct. £146.50 seller, PWD grade Sept./Oct. £137.50 seller. A long ton.

CALCUTTA—Steady. Indian spot Rs.375 value. Dundee Daisee spot Rs.380 value. A bale of 400 lbs.

MEAT/VEGETABLES

SMITHFIELD—Beef: Scottish killed sides 18.0p to 20.8p, Ulster hindquarters 23.0p to 23.5p, forequarters 13.3p to 13.7p, Eire hindquarters 22.9p to 23.5p, forequarters 12.9p to 13.7p, Argentine chilled boneless cuts: Strip loins 41.2p to 42.5p, rumps 36.3p to 37.5p, top sides 31.7p to 32.5p, silversides 27.5p to 29.0p, thicks 27.9p to 28.5p, ponies 18.7p to 20.0p.

Lamb: English medium 13.3p to 15.7p, heavy 11.7p to 13.3p, Scottish medium 11.7p to 18.7p, heavy 11.7p to 13.3p, Eire 11.7p to 14.2p, imported frozen New Zealand D's 13.1p to 14.2p, 2's 12.3p to 13.0p, 6's 11.7p to 12.5p, YL's 11.7p to 12.6p, YM's 12.0p to 12.8p.

Pork: English, under 100 lbs 10.0p to 14.6p, 100-120 lbs 10.0p to 13.8p, 120-160 lbs 10.0p to 12.7p, 160-180 lbs 9.5p to 10.4p, 180 lbs and over 0.5p to 10.6p, Eire, all weights 10.0p to 11.7p.

Meat Commission average fatstock prices at representative markets yesterday: U.K.—cattle £12.25 (−0.05 on previous week), sheep 16.7p per lb. edcw (same), pigs £1.75 per score liveweight (+0.05). England and Wales—cattle numbers up 14.3 per cent. average £12.25 (−0.16), sheep numbers up 14.8 per cent. average 17.1p (+0.1), pig numbers up 0.6 per cent. average £1.78 (+0.06).

COVENT GARDEN—Imported produce: Grapefruit—South African: 32 £2.30-£2.35, 36 £2.35-£2.40, 40 £2.50-£2.55, 48 £2.75-£2.80, 56 £2.55-£2.60, 64 £2.40-£2.45. Oranges—Brazilian: £1.50-£1.60; South African: 56/150 £1.55-£1.75 Valencia Lates £1.60-£1.80. Lemons—Italian: 100/120 £2.50-£2.65; South African: £2.30-£3.00; Californian: £2.25. Melons—Israeli: Ogen £1.30-£1.40; Spanish: yellow £0.85-£0.80; French: Charentais £1.50. Water-melons—Cypriot: £1.30; Italian: £0.90; Hungarian: £1.30. Grapes—Belgian: Per pound, Royal £0.25; Cypriot: Trays 18 lbs Sultana £0.60, per pound, Thompson Seedless £0.06; Italian: 11 lbs Regina £1.40; Spanish: 11 lbs, black £1.40, white £1.30. Apples—Tasmanian: Sturmers £3.50-£3.60, Democrats £2.40-£2.60, Granny Smith £2.90, Croftons £2.70; West Australian: Granny Smith £3.90; Victorian: Yates £2.70, Granny Smith £4.00. Pears—Italian: Per pound Williams £0.06; French: Guyots £0.05, Williams £0.06. Peaches—French: £0.50-£0.60; Italian: Large £0.70-£1.00. Apricots—Hungarian: £0.80. Plums—Spanish: 11 lbs, Santa Rosas £0.80-£1.30; English produce: Cabbage—Crate £0.40-£0.45. Lettuce—Round 12's £0.20-£0.30, Cos 12's £0.35. Potatoes—£0.40-£0.55. Mushrooms—Per pound £0.20. Cucumbers—Per tray 12/18's £0.45-£0.70. Cauliflowers—12's £1.00-£1.30. Tomatoes—Per pound, £0.09-£0.10. Celery—12's £0.55, 20's £1.00. Beans—Per pound, ground £0.03, stick £0.05-£0.06. Peas—Per bag, approximately 36 lbs £1.00-£1.20. Carrots—28-pound bag £0.30-£0.40. Beetroot—Per bag, £0.25. Courgettes—Per pound, £0.0C. Apples—28/30 lbs Grenadier/Early Victorias £0.80-£0.90, approximately 30 lbs Beauty of Bath £0.70. Cave £1.30-£1.50. Plums—Early Rivers/Czars, 12-pound chips £0.70-£0.75. Blackberries—Per pound £0.08-£0.10.

★

COPRA—Philippines/Indonesian: Aug. $178, Sept. $181½, Oct. $187½ resellers, Aug. $177 paid consumers. Sept. $180, Oct. $188½-$186½ paid.

★

GRIMSBY FISH—Good supply and fair demand. Prices per stone: Shelf cod £1.10-£1.40, medium haddocks 80p-85p, medium plaice £1.40, dogfish £1, coalfish 30p.

U.S. ZINC STOCKS REDUCED

NEW YORK, August 12.

U.S. zinc producers' stocks fell some 3,000 short tons during July as shipments exceeded output. The strike at the Anaconda plant at Great Falls, Montana, accounted for most of the drop, sources said. Producer stocks at the end of July were 65,156 tons against 68,537 tons a month earlier and 125,741 tons in July 1970.

Reuter

PRICE CHANGES

Prices per ton unless otherwise stated.

	Aug. 12 1971	+ or −	Month ago
Metals			
Aluminium (a) (u)	£267.20	.....	£257.2
Copper			
Cash Wire Bars (u)	£452	+.25	£490.51
3 months do. do. (u)	£462.25	.....	£499.75
Cash Cathodes (u)	£440.75	.....	£477.5
3 months do. do. (u)	£450.75	−.25	£485.75
Gold ...Troy oz.	$43.30	+0.40	$40.40
Lead, Cash, (u)	£108.5	+.375	£109
3 months (u)	£111.875	+.75	£111.5
Nickel (u)	£1,246.5	.....	£1,246.5
Platinum (b) troy oz.	£50	.....	£50
Freemarket	£47.60	.....	£45½-9½
Quicksilver (76 lbs.)	£312	.....	£312
Silver Troy oz.	65.8p	+0.7	65.2p
3 months	67.0p	+0.7	66.6p
Tin Cash (u)	£1,413.5	−6.5	£1,449.5
3 months (u)	£1,430.5	−8	£1,461.5
Wolfram 22.04 lb. cif	£16-18	−0.25	£18.2-21¼
Zinc Cash (u)	£134.25	+.625	£153.62
3 months (u)	£138.375	+.75	£155.875
Producers (u)	£150	.....	£150
Oils			
Coconut, Malayan	£146 (w)	.....	£147
Groundnut			
5.5%	‡£192 (t)	.....	£190
Linseed Crude	†£111 (t)	.....	£110
Palm-Malayan	†£118 (t)	.....	£116
Soyabean	†$336 (t)	−2	$331
Seeds			
Copra, Philipp. ton	†$181½ (y)	−5½	$208
Gr'dnuts Niger'n	‡	.....	£102.6
Linseed Can No. 1	†£45 (t)	−0.10	£48.36
Grains			
Barley			
Can No. 2	£25.22	.....	£25.25
Home Futures	£25.325	+0.125	£24.075
Maize			
No. 3 Yellow Am.	£25.20y	−0.40	£28
S.A. Yellow Flint	‡	.....	†
Wheat			
No. 2 Manitoba	‡	.....	£32
No. 2 Hard Winter	£29.30	.....	£30.15
Australian	£29.25	.....	£29.25
English Milling	£24.50	.....	£24.5
Cocoa Shipment (x)	£253	−0.50	£236
futures Dec.	£254.25	.....	£231.75
Coffee Shipment (c)	58.25	.....	‡
futures Nov.	£359.75	+1.25	£363.25
Cotton Liverpool cif index cents per lb.	35.40	.....	35.70
Jute LJA PWC	†£148.50 (p)	.....	£149
Rubber Kilo	14.3p	−0.2	14.45p
Sisal EA 3L (u)	£82	.....	£78-79
Sugar	£45.50	−0.30	£42.80
Wooltops 64s Kilo	90p	.....	90p
Cloves	‡	.....	79½p
Pepper White ton	†£475 (?)	.....	£460
.. Black ton	†£372.50 (?)	.....	£362

* Nominal. † Seller. ‡ Unquoted. § Unofficial close. ♣ Indicative price. a Canadian delivered U.K. b U.K. and Commonwealth refined. c Uganda Robusta grade 10 unwashed f.o.b. Mombasa cents a pound. d Pakistan white "G." w Ex-warehouse. x C.i.f. U.K. u Metric tons. t Aug. y Sept. j July-Aug. m Aug.-Sept. q Oct.-Nov. o Nov.-Dec. p Sept.-Oct. e Jan.-Feb. n Dec. b Dec.-Jan. v Feb.-March.

INDICES

FINANCIAL TIMES

Aug. 12	Aug. 11	Month ago	Year ago
84.27	84.46	86.47	88.24

(Base, July 1, 1952=100)

REUTER'S

Aug. 12	Aug. 11	Month ago	Year ago
525.0	525.6	521.7	554.3

(Base, Sept. 18, 1931=100)

DOW JONES

Dow Jones	Aug. 12	Aug. 11	Month ago	Year ago
Spot	141.36	141.14	141.27	145.87
Futures	142.41	142.09	144.37	141.04

(Average 1924-25-26=100)

MOODY'S

Moody's	Aug. 12	Aug. 11	Month ago	Year ago
Staple Commod'y	364.7	364.2	370.8	405.7

(Dec. 31, 1931=100)

U.S. Markets

NEW YORK, August 12.

COCOA was boosted by hedge-lifting. Sugar opened higher with London but speculative liquidation erased the gains. Soyabeans collapsed on prospects of a record crop. Commercial buying of soyabean products tempered the decline, however. Corn opened sharply lower on expectations of a record crop but rebounded on profit-taking. Wheat followed corn with exports aiding sentiment, Bache reports.

Cocoa—Bahia spot 27½ (26½). Ghana spot 28½ (29). Sept. 26.15 (25.70), Dec. 26.48 (26.08), March 26.86, May 27.21, July 27.54, Sept. 27.85, Dec. 28.17. Sales, 655.

Coffee—Santos No. 2/3 43.00 nom. (unquoted). Santos No. 4 42.50 nom. (unquoted). Colombian Mams 48.25 asked (same).

Copper—Sept. 49.70 (49.65), Oct. 49.90 (49.85), Dec. 50.20, Jan. 50.50 settlements. Sales, 551 lots.

Cotton—Contract No. 1 Nov. 22.00 nom. (same), Jan. 22.00 bid (same), April 22.00 nom., June 22.00 nom. Contract No. 2 Oct. 32.00 (32.20), Dec. 32.61-32.65 (32.73-32.80), March 33.52-33.55, May 33.87, July 33.52-33.55, Oct. 30.15-30.38, Dec. 29.60-29.90.

§Cottonseed Oil—Sept. 15.60 bid (15.85 bid), Oct. 16.15 bid (16.40 bid), Dec. 15.90 bid, Jan. 15.90 bid, March 15.90 bid, May 15.00 bid, July 15.90 bid, Sept. 15.90 bid. Sales, nil.

ΦGreasewool—Spot 54.0 nom. (same). Oct. 59.5-62.0 (58.2-61.3), Dec. 64.0-65.0 (63.0-64.0), March 68.0-69.0, May 69.6-70.2, July 70.5-71.2, Oct. 71.5-72.5, Dec. 72.3-73.5.

†Lard—Chicago loose 11½ asked (same), N.Y. drummed 14½ asked (same).

††Maize—Sept. 124½-124¼ (123½-123¾), Dec. 122½-122¼ (121½-121¼), March 127½-127¾, May 130½-130¼, July 132¾.

‡Mercury—Sept. 275-280 (same), Dec. 270-280 (same), March 270-280, May 270-280, July 270-280, Sept. 270-280, Dec. 270-280. Sales, nil.

‡‡Silver—Spot 150.60 (150.90). Aug. 159.30 (158.80), Sept. 159.00 (159.40), Oct. 161.10, Dec. 163.40, Jan. 164.60, March 167.10, May 169.50, July 171.90, Sept. 174.40, Dec. 178.00 settlements. Sales, 937.

*Soyabeans—Aug. 328½-328¼ (334½-335), Sept. 324½-324¼ (329½-330), Nov. 316½-316¼, Jan. 319½-319¼, March 322¾, May 325½-325¼, July 327.

bSoyabean Meal—Aug. 82.35 (83.20), Sept. 82.55 (83.45-83.50), Oct. 80.20, Nov. 79.95-80.10, Dec. 79.95, Jan. 80.00-80.10, March 80.70-80.80, May 81.50, July 82.10-82.20.

Soyabean Oil—Aug. 14.34-14.37 (14.50-14.52), Sept. 13.76-13.80 (14.07-14.08), Oct. 13.30-13.32, Nov. 12.79-12.80, Dec. 12.45-12.48, Jan. 12.35-12.39, March 12.25, May 12.14-12.15, July 12.05-12.07.

Sugar—Contract No. 11 Spot 4.37 (same). Sept. 4.40-4.39 (4.41-4.44), Oct. 4.44-4.43 (4.42-4.43), Jan. 4.60 nom., March 4.90, May 4.61-4.62, July 4.64-4.63, Sept. 4.58-4.60, Oct. 4.58-4.60. Sales, 1,421.

Tin—164.25 asked (164.75 asked).

**Wheat—Sept. 143 (141½-141¾), Dec. 146½-146¼ (144½-144¾), March 149-149½, May 147½-147¾, July 141½.

WINNIPEG—August 12—dRye Oct. 99½ bid (99½), Dec. 98½ (98½ bid), May 100¾.

cOats—Oct. 69 (same), Dec. 69½ bid (69½), May 70½.

‡Barley—Oct. 109½ (same), Dec. 108 bid (same), May 108 bid.

dFlaxseed—Oct. 241 bid (240½), Nov. 241½ bid (241 bid), Dec. 238½ bid, May 247½ bid.

Wheat—N. Manitoba No. 2 177¾ (177¾).

All cents per pound ex-warehouse unless otherwise stated. * Cents per 60-lb bushel ex-warehouse. † Chicago loose $'s per 100 lbs—Dept. of Ag. prices previous day. Drummed $'s per 10 lbs f.o.b. N.Y. ‡ $'s per 76-lb cask ex-warehouse. § Cents per 56-lb bushel ex-warehouse. ** Cents per 60-lb bushel in store. †† Cents per 56-lb bushel ex-warehouse, 5,000-bushel lots. ‡‡ Cents per troy ounce ex-warehouse. b $'s per short ton f.o.b. cars Decatur. c Cents per 48-lb bushel. d Cents per 56-lb bushel ex-warehouse, 1,000-bushel lots. §§ Basis Lubbock, Texas. Φ New contract.

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American News

American consumers on the war path

By Jurek Martin

NEW YORK, August 12.

AN American consumer's organisation has urged the Government to ban the sale of a number of household cleaning products because it claims they are highly poisonous.

The Consumers Union, which produces a magazine roughly equivalent to the British "Which?," makes the allegation in the September issue of "Consumers Report." It asks the Department of Health, Education and Welfare to act promptly in ordering the allegedly offending products off the shelves.

Among the products named are two dishwasher detergents, Finish and Electrasol, made by Economics Laboratory, a company based in St. Paul, Minnesota.

In addition the magazine charges that all petroleum-based liquid furniture polishes are hazardous. It claims that one type of Old English brand furniture polish, produced by a division of American Home Products Corporation, has caused deaths after being swallowed by children.

The magazine also requests that all liquid drain cleaners be either banned or required to be sold in packaging that children cannot open. It claimed that tests on animals using one well-known brand had produced deaths even though antidotes had been administered.

The Consumers Union has been getting the headlines much more frequently of late with its allegations that various products are either dangerous or do not live up to the claims made for them.

CANADIAN OUTPUT UP 0.5% IN MAY

By Our Own Correspondent

OTTAWA, Aug. 12.

OUTPUT of Canadian industry rose 0.5 per cent. in May showing recovery from effects of a late spring. The strength was shown mainly in transportation, communications and storage industries. The Government expects much stronger gains in the second half of this year.

Ex-Im Bank rejects Chilean aircraft loan

BY GUY DE JONQUIERES

WASHINGTON, August 12.

THE U.S. Export-Import Bank has rejected a request by Chile for a loan to purchase three American commercial aircraft, Mr. Henry Kearns, chairman of the Ex-Im Bank, disclosed to-day.

Chile was understood to have asked for a loan of about $21m. to buy two Boeing 707s and one 727 for its national airline, Lan-Chile, which is equipped exclusively with five Boeings supplied earlier.

Mr. Kearns said that the loan, which was requested about six months ago, could not be considered "until we have a clear picture of the intentions of the Government of Chile." He was apparently alluding to American misgivings following the election in Chile of a Marxist President, Sr. Salvador Allende.

Mr. Kearns informed the Chilean Government of the bank's decision at a meeting yesterday with its Ambassador in Washington, Sr. Orlando Letelier. He is understood to have said that no Ex-Im Bank financing would be possible until agreement had been reached on compensation for U.S. companies taken over by the Allende regime.

Long range

Compensation agreements have been reached with Bethelehem Steel and North Indiana Brass Company, but several others, with major copper companies like Kennecott and Anaconda still have to be reached. The feeling in Washington is that this may turn out to be a lengthy and difficult process.

The Ex-Im Bank rejection has raised the possibility that Chile may now turn to the Soviet Union, whose IL-62 aircraft is the only comparable airliner available for use on Lan-Chile's long range flights. The British VC-10 has apparently been ruled out because of the financial difficulties of the engine-manufacturer, Rolls-Royce.

Chile is understood to have offered $5m. towards the $26m. purchase price of the Boeings, provided the Ex-Im Bank would agree to underwrite 40 per cent. of the cost in guarantees to American banks and advance another 40 per cent. in a direct loan to Boeing.

The Soviet Union would almost certainly be prepared to offer the extended payment terms which Chile would need in order to avoid making a sizeable dent in its foreign exchange reserves. The Russians are understood to have extolled the merits of the IL-62 to General Cesar Ruiz, head of the Chilean Air Force, when he visited air installations in East and Western Europe last month.

Allende cabinet reshuffle soon

SANTIAGO, August 12.

CHILE'S President Salvador Allende has accepted the resignation of Public Health Minister Oscar Jimenez Pinochet, paving the way for an expected Cabinet reshuffle. The Cabinet reshuffle has been awaited since Friday, when four Ministers belonging to minority liberal-type groups in the Popular Front Government offered their resignations.

The Liberal Ministers—three from the Radical Party and one from the small Popular United Action Movement—offered to quit after rows in their own parties over the extent to which they should follow a hard Marxist line. But President Allende refused to accept the resignations, preferring to reshuffle his Cabinet to keep the Popular Front team together.

Health Minister Oscar Jimenez then offered his resignation to allow Dr. Allende—the world's first democratically elected Marxist leader—to organise his reshuffle. Full details of this are expected soon.

In the meantime, 4,500 miners at Chile's huge El Salvador copper mine called off a strike they began on July 31, ending the biggest industrial crisis President Allende has faced. The miners came out on strike after rejecting a 33 per cent. pay rise offered by the Government as the basis of a new 15-month contract. They had demanded a 46 per cent. rise.

Many of them are supporters of the Christian Democrat opposition party, who disapproved of nationalisation of the copper industry last month, fearing wage levels would drop when American companies which previously ran the mines moved out of Chile. Talks at the mine, with two Cabinet Ministers leading the Government side, reached deadlock.

The miner's leaders flew to Santiago for a 13-minute meeting with President Allende last Monday. There was no official statement on what the President told them, although observers speculated he had threatened to close down the mine if there was no agreement.

The next day the miners' leaders said they would try to persuade their colleagues to accept the 33 per cent. offer. The decision to return to work was the result.

Reuter

Bethlehem Steel defers important price rise

BY JUREK MARTIN

NEW YORK, August 12.

YET further evidence of the currently enfeebled state of the American steel industry has been provided by the Bethlehem Steel decision to defer one important previously scheduled price increase until the new year.

The announcement from the number two steel company late yesterday came as something of a surprise. What Bethlehem has done is to put back until February 1 next year the 8 per cent. price rise on cold rolled sheets that was to have taken effect on December 1.

The original 8 per cent. increase was announced by Bethlehem, following the lead of U.S. steel, two weeks ago, immediately after an industry strike had been avoided by a wage settlement. The fact that, at the time, it was decided to defer the increases until December was taken as evidence of the weakness of steel orders, as consumers began to work their way through their sizeable stockpiles of steel built up in anticipation of a strike.

By putting the increase back a further two months, Bethlehem has highlighted the market weakness still further. Cold rolled sheet is a major component in the industry's product mix, accounting for about 18 per cent. of all shipments: it is widely used in car body manufacture and in numerous other appliances.

The Bethlehem decision, which may well be followed by the rest of the industry, raises grave doubts as to whether the recently announced price increases can be made to stick. If market forces compel a roll-back then the Nixon Administration, concerned about the inflationary impact of price increases such as these, will hardly be displeased.

CANADA

Britain may lose concessions

BY JAMES SCOTT, TORONTO CORRESPONDENT

THE CANADIAN Cabinet is on the verge of deciding to withdraw the long standing tariff concessions accorded to British exporters although the final decision may not be made for two months, and will depend on whether or not the British Parliament decides for or against the principle of British membership in the European Economic Community.

If Canada reaches a decision to revoke the British preferences, virtually all of Canada's other Commonwealth tariff concessions would be scrapped at the same time. Senior officials in the Department of Finance in Ottawa, which has responsibility for Canada's tariff policies, concede that a withdrawal plan is being studied by the Cabinet but the Ministers have not yet taken a view on it. However, prominent trade experts, among them Mr. Keith Dixon, executive vice-president of the Canadian Importers Association, believe that talks may be already under way between Canada and Britain with a view to phasing out the British preferences, some of which date back to 1932 and beyond.

Preferential

More than $C788m. worth of goods entered Canada from Britain in 1970. About 70 per cent. of this was duty free or at specially reduced tariff rates. Another $C777m. worth of goods came from other Commonwealth countries, many of them also on a preferential basis. Last year Canada's exports to Britain were valued at $C1,480m., about 95 per cent. of which entered on a preferential basis.

At the end of the five-year transitional period for Britain to become a full member of the EEC, as much as 45 per cent. of total Canadian exports could experience difficulties in maintaining their British markets. At that point they would have fully lost their previous preferences and would have to surmount the Common External Tariff structure of the enlarged EEC. Many of the preferences Canada accords Australia, New Zealand and other Commonwealth nations have Britain as the centre around which they are grouped. If Britain does join the EEC,

Mr. Lester Pearson

withdrawing its concessions to Canadian and other Commonwealth exporters, and if Canada reciprocates by withdrawing the preferences it accords British exporters, many of the ancillary Commonwealth preferences will cease to operate. Nevertheless, many of these may be renegotiated in the form of bilateral trade agreements.

These would probably include tariff rates slightly higher than those which now exist, although still below the most-favoured-nation tariff rates Canada accords the U.S., Japan and most other non-Commonwealth participants in the General Agreement on Tariffs and Trade. Part of Canada's strategy for dealing with British entry into the EEC is to press for a further round of multilateral tariff negotiations under GATT. The hope is to have the general level of tariffs of the major trading blocs—notably the EEC and the U.S.—reduced still further from their average level of 10 per cent.

If this can be accomplished concurrently with, or prior to, full British membership of the EEC, Canadian exporters will find it easier to maintain or increase their sales in Britain and on the continent. There is concern in Ottawa that the momentum toward more liberal trade, that reached a peak in the 1967 Kennedy Round, should not be allowed to lapse completely. Although the final Kennedy Round of tariff cuts are slated for January 1, 1972, Canada has already implemented its full commitment.

A Canadian decision to withdraw the preferences accorded Britain would not be made out of spite. It would be a logical and unavoidable corollary of Britain's all-out commitment to the EEC. Aware of this, Canada's tariff negotiators seem determined to push for every possible ounce of leverage in this unavoidable situation. For instance it is estimated that about 15 per cent. of Canadian imports from the U.S. and Japan are now adversely affected by competing goods entering under preferences accorded British suppliers. The prospect of ending the margin of preference enjoyed by these British goods could give Canadian negotiators additional bargaining power in gaining reciprocal concessions with their counterparts in the U.S. or Japan.

Cement ties

The end result, however, may be to cement even further the extremely close trading ties between Canada and the U.S. Another side of the same situation is that in previous tariff negotiations with non-Commonwealth countries, Canada was under some constraints because of the preferences it accorded British suppliers. For if Cana[da] reduced the most favoured nati[on] tariff rates it then imperilled [or] reduced the margin of preferen[ce] enjoyed by British exporters [in] Canada. With the British pref[er]ences withdrawn, Canada shou[ld] have more flexibility in a[ny] future most favoured nati[on] negotiations.

The absence of any great pu[b]lic display of Canadian conce[rn] during the past few years whi[le] discussions were taking pla[ce] about Britain's joining the EE[C] should not be interpreted [as] nonchalance on Canada's pa[rt]. This was part of a delibera[te] policy decision made by [the] Cabinet of former Prime Min[is]ter Lester Pearson. The min[is]ters of that day believed Brita[in] would in the end do what it fe[lt] was in its own best interest. Rather than create a publ[ic] furore like Australia and Ne[w] Zealand, Canadian officials ha[ve] sought safeguards and tran[si]tional provisions in a quiet way.

Task force

A year ago when Britain ma[de] its third bid in less than te[n] years for EEC membership, th[e] Canadian Cabinet decided to i[n]crease ministerial consultatio[n] with Britain, other prospectiv[e] candidates and the existing Si[x]. These efforts have been au[g]mented by trade missions an[d] the signing of agreements fo[r] the exchange of scientific an[d] technological information wi[th] certain of the EEC countries. Concurrently, Canada continue[s] to increase its contacts with othe[r] potential trading areas and thi[s] process is reflected in recen[t] dealings with China and th[e] Soviet Union. In addition a tas[k] force was recently establishe[d] with Government aid to examin[e] Canada's major exports to Britai[n] and the EEC. Its job will be t[o] relate the present tariff an[d] entry arrangements with th[e] prospective ones, once the en[]larged Community becomes a reality.

CANADIAN-BUILT KARACHI NUCLEAR PLANT OPEN

By Our Own Correspondent

TORONTO, August 12.

The 137,000 kW Karachi nuclear power plant, designed and built by Canadian General Electric Company of Toronto, has started producing power. Situated on the Arabian Sea near West Pakistan's largest city, it is the first Canadian-designed nuclear power station placed in operation in a foreign country.

It is of the CANDU type, moderated and cooled by heavy water and using natural uranium fuel. The Pakistan Atomic Commission owns and operates the station.

Mexico tourist project

BY OUR FOREIGN STAFF

THE INTER-AMERICAN Bank approved a loan equivalent to $21.5m. yesterday to develop tourist facilities on Cancun Island off Mexico's Yucatan Peninsula. With the approval of the loan, the first made by the Bank for tourist infrastructure facilities in a previously virtually uninhabited area, the Bank enters a new field for international development agencies.

As such, the loan is of major importance for the whole Latin American region since it can serve as a model for similar projects in the future. Tourism has been a major factor in Mexico's economic development and is a growing source of development earnings for other countries in Latin America.

In 1970 Mexico was one of the five most important countries in the world in the number of tourist visits. Revenue derived from tourism and border transactions produced gross receipts equivalent to nearly $1.5 billion. More than 190,000 persons are employed in the sector.

The loan was extended to Nacional Financiera, S.A., the nation's public credit agency.

BAHAMAS SENATE CHANGES

By Our Own Correspondent

NASSAU, August 12.

SENATOR Kendal Isaacs has resigned the vice-presidency of the Bahamas Senate because he would have had to preside at meetings in the absence of the President—leaving his Free-PLP Party without a voice in Senate debates. In his resignation letter, Senator Isaacs said "because of the unsettled constitutional position, I find myself the only representative of the official opposition in the Senate and were I to preside my Party would be deprived of its only voice in this chamber."

Export News

'U.S. dock strike may get worse' —DTI warning

BY RAY DAFTER

THE DEPARTMENT of Trade and Industry is continuing to urge exporters to make contingency arrangements to avoid delays resulting from the U.S. West Coast dock strike, now in its seventh week.

It has also warned that there is a very real danger of the strike spreading to the East Coast ports on October 1, which would have far worse repercussions on British shipping. In the event of a national dock strike the President may invoke the 80-day "cooling-off" period although this remains no more than a possibility at this stage.

More than 100 ships, some with British exports on board, are at present held up because of the West Coast strike. Mr. M. Parke, secretary of the U.K.-U.S. and Canadian North Pacific Freight Associations, said that some lines were endeavouring to discharge at alternative ports to "enable the goods to get through."

Vancouver, Canada, has become particularly congested as a result of diverted traffic, while the other main alternative port, Ensenada in Mexico, has only limited facilities. Some exporters have also been routeing their goods via East Coast ports.

A spokesman for the British National Export Council said last night that exhibitors at the British Week in San Francisco between October 1 and October 9 had been given clear warnings to make contingency arrangements, and it was unlikely that the event would be marred by the strike.

Airbrokers, Clarkair International, said yesterday that some British shippers of exports to the Far East who had previously routed their goods via the U.S. ports were now turning to air charter. Plans were well in hand for the chartering of aircraft to go to Hong Kong and Singapore to cope with the demand, a spokesman said.

From Hong Kong and Singapore cargo would go by sea or scheduled airlines to Japan, Australian and other Far East destinations. "Once exporters and importers see the viability of this service we expect many of them will help swell the numbers of those already using it on a permanent basis."

A strike at East Coast ports would cause the biggest headache, however. Mr. D. J. K. Conway, chairman of the North Atlantic West Bound Freight Association, said that lines in the trade were making efforts, wherever possible, to transport as much cargo as possible to the U.S. before the end of September.

Mr. W. Board, director and general manager of air cargo agents Air Wingate, said that all major transatlantic air carriers were making plans to cater for the likely increased demand for space. Preference would be given to regular air freight users, he said, although the airlines would like to tap the type of traffic which could remain with the air freighting system.

A spokesman for British Overseas Airways Corporation commented that the airline was "making contingency plans" in case the strike spread to the East Coast. Such plans would almost certainly involve additional cargo capacity.

In Brief

Taylor Woodrow of Ghana has received a "turnkey" contract worth about £500,000 from Mobil Oil Ghana for the design and construction of a seven-storey office block and medical centre at Accra, due for completion by the autumn of next year. Under contracts worth £1.6m. Taylor Woodrow International is to build a 9,000-feet long rock mole and a 2,000-feet long bridge at Cockburn Sound, Western Australia, completing a task begun under an earlier £500,000 contract between the mainland and the Federal Government's Naval Support facility.

British Ropeway Engineering Company, of Sevenoaks, Kent, has completed a £275,000 aerial ropeway for the United Provinces Cement Works at Mirzapur, India. The ropeway carries crushed limestone for some 6,350 feet to automatic discharge points at a speed of 800 feet per minute.

First returns on business at the recent machine tool exhibition in Moscow indicate that £250,000-worth of machinery and equipment was sold, representing about a quarter of the total value of exhibits, the Machine Tool Trades Association said yesterday. The full value of orders will not be known for some time.

Shipment of airtight, inflatable grain silos to East and West Pakistan has just been completed by Butyl Products, of Billericay, Essex. The company has supplied 17 250-ton silos under the East Pakistan flood relief scheme, and 2 750-ton silos to West Pakistan. Total value of the contracts was £7,160.

An export order from the Japanese Government for 30,000 silver medallions, minted by Ernest Pobjoy, of Sutton, Surrey, had the effect of more than doubling the total weight of articles hallmarked at the London Assay Office last month compared with July last year, it was learned yesterday.

The air division of Auto Diesels Braby, of Uxbridge, has delivered trailer-mounted aircraft starting and servicing units worth £42,000 to CSA at Prague Airport.

Mr. J. Steinberg, chairman of the Clothing Export Council, at yesterday's Press showing.

Forty fashion houses support major four

BY JOHN TRAFFORD

THE CLOTHING Export Council is to launch its most ambitious drive to date to generate sales of British clothing in West Germany, Switzerland, the U.S. and Kuwait.

Using Government funds totalling between £70,000 and £100,000, the Council is mounting autumn fashion shows in Hamburg, Zurich, San Francisco and Kuwait. The shows in Europe will take place next month, the other two in October.

Over 40 of the best known names in British fashion will be represented at the shows which will last from three to six days. Among them are Aquascutum, Mary Quant, Elgee, Redian and Mr. Freedom. Substantial purchases have already been made by retailers in the cities concerned ahead of the shows so that everything exhibited will be available for purchase.

The shows at Zurich and San Francisco are primarily to expand an already flourishing export business. Kuwait, in contrast, is a relatively new market although the potential is rated as good. Purchases of £250,000 of British clothing followed a Government-sponsored visit by Kuwait buyers last spring.

West Germany, the largest clothing importer among the Six, at present takes most of its imports from Italy and France. Britain only holds 1 per cent. of the men's import clothing market and 3 per cent. of the women's.

A target of £250m., over double the present clothing export figure of £120m., has been set by the Clothing Export Council for British clothing exports by 1980.

At a Press briefing held yesterday in London, the fashion ranges for the four promotions were on show. The emphasis was on overcoats and evening wear for West Germany, casual wear for Switzerland, evening wear and men's suits for the U.S. and swimwear for Kuwait. Surprisingly, Kuwait is also an important potential market for real and synthetic fur coats which figured prominently in the display.

German alternative plan for air fares

BY CHRISTOPHER LORENZ

FRANKFURT, August 12.

LUFTHANSA, the West German airline, sees little chance of an "open rate" situation on the North Atlantic run next spring being avoided, a company spokesman said to-day.

This news came at the end of a hectic day in which the airline gradually made clear why it had blocked the fares package negotiated at a seven-week-long meeting of the International Air Transport Association in Montreal. Lufthansa also presented the outline of its alternative proposals, all of which are cheaper than the equivalent ones agreed in the IATA package.

A statement from the company's headquarters in Cologne said it had voted "no" yesterday because the IATA package would not bring about a sufficient simplification of the present "fares maze" and would in fact complicate it even further.

Dr. Herbert Culmann, the airline's chairman, said the IATA plan would increase the number of North Atlantic fares from 52 to 69. Lufthansa, which had been proposing for years to simplify the structure "in the interests of the public, agents and the industry," was planning to offer a maximum of only nine different fares.

The airline's statement said that, should an "open rate" situation develop, it would introduce its own fares, which would be considerably cheaper than the IATA ones.

It expects the "open rate" situation to take effect from February 1, 1972, rather than from April 1, as suggested in reports from Montreal.

Lufthansa described the IATA package as a "weak compromise" and maintained that a large number of carriers abstained from voting. It apparently expects a number of them to follow its price-cutting lead if it comes to an open rate situation.

IATA's package is not as good an economic proposition as Lufthansa's own plan, according to Cologne, in spite of the fact that the IATA fares are higher. The IATA arrangements would impose an additional loss of DM25m. per annum on the German airline's North Atlantic operations, the company said. At last month's annual meeting Dr. Culmann said his airline expected to make a loss of DM30m. this year on its North Atlantic operations alone.

One of Lufthansa's main objections to the IATA proposals is that their complicated nature would increase overheads still further. It says that, as its own range of fares would be much simpler, it would therefore be cheaper to administer and booking staff would not have to be as highly trained as the IATA plan demands.

Cologne maintains that passengers already often have to pay more than they need, simply because the booking clerk is sometimes unaware that he could make a cheaper selection from the choice of 52 fares.

P & O bulk shipping division operative Monday

BY JAMES McDONALD, SHIPPING CORRESPONDENT

P & O's BULK shipping division—the first of five new operating sections formed under the group's major reorganisation—will come into being next Monday. It will be the largest of the company's new divisions in terms of shipping tonnage, accounting for over 50 per cent. of the group's tonnage by 1975. Existing group names such as Trident Tankers and Hain-Nourse will vanish soon.

Announcing its introduction yesterday, Mr. Sandy Marshall, chief executive of the division, said its 25-strong fleet added up to more than 3m. deadweight tons, with a capital investment of £50m. Another 19 ships were on order, of which 12 would be partly-owned through consortia.

In all, the ships owned and on order represent assets costing nearly £100m. By 1975 the tonnage under the direct control of the bulk shipping division will have increased by over 50 per cent. to more than 3m. deadweight tons—valued at about £150m.

This is the first result of the review of the P & O structure by McKinsey, the management consultant. It was announced in March that, as a result of acceptance of McKinsey's interim report, traditional names within the P & O group would vanish and that under the new structure there would be five operating divisions, grouping together all those parts of the P & O business which were essentially similar.

The diversity and size of the combined fleet—which covers Trident's tankers and the bulk ships of Hain-Nourse—are regarded as a reflection of P & O's decision, made in the late 1950s, to move into the capital intensive areas of specialised shipping.

P & O's bulk shipping division will be closely involved, through the group's consortia connections, with the operations of Associated Bulk Carriers, Mundo Gas, Panocean Shipping and Terminals and LNG Carriers.

It will also be responsible for the group's interest in the storage and trading in liquefied gases, chemicals and vegetable oils.

Mr. Marshall said: "Our chief objective will be to co-ordinate the group's bulk shipping activities, while developing a total investment strategy to ensure continued profitable growth. We are already well established in the international bulk markets, independently and through our associated companies and are well placed to take advantage of expansion in all these markets."

Under the divisional management structure in the bulk shipping division, five key executives will report to Mr. Marshall—from the oil and bulk department; from gas and chemicals; the development manager; the fleet manager; and the financial controller.

The remaining four operating divisions of P & O—European and air transport; general cargo; general holdings; and passenger—with six central staff divisions, are expected to be in full operation before the original deadline of October 1.

Commenting on P & O's bulk carrier policy, Mr. Marshall said there had been a deliberate policy of keeping about 15 per cent. of the group's bulk carrier tonnage free to take advantage of any movement in the spot charter rates in the Baltic Exchange.

In the reorganisation of the bulk carrying side of P & O he believed that only about 13 people would be redundant—three of them of management status. The division employs about 1,000 seafaring staff and some 120 shore staff.

Appointments, Page 24

Peak aerospace exports, but industry voices anxiety

BY MICHAEL DONNE, AEROSPACE CORRESPONDENT

WHILE U.K. aerospace exports in the first six months of this year hit the new peak level of more than £160m., the aerospace industry is concerned over the lack of decision on new programmes with which to fill the factories in the latter part of this decade.

The Society of British Aerospace Companies yesterday said that aerospace exports are now running at a level nearly three times that of the mid-1960s, and well above that of the best-ever export year, 1969, when—after setting a half-year total of £153m.—they went on to set a peak of £304.7m.

But Sir Richard Smeeton, director of the SBAC, strikes a warning note in commenting on these figures, pointing out that they represent the fruits of programmes established, in the main, up to ten years or more ago.

"We can confidently expect continuing business for several years to come in such well-established, proven and successful aircraft as the BAC One-Eleven, and Hawker Siddeley Trident, HS-748 and HS-125," he says.

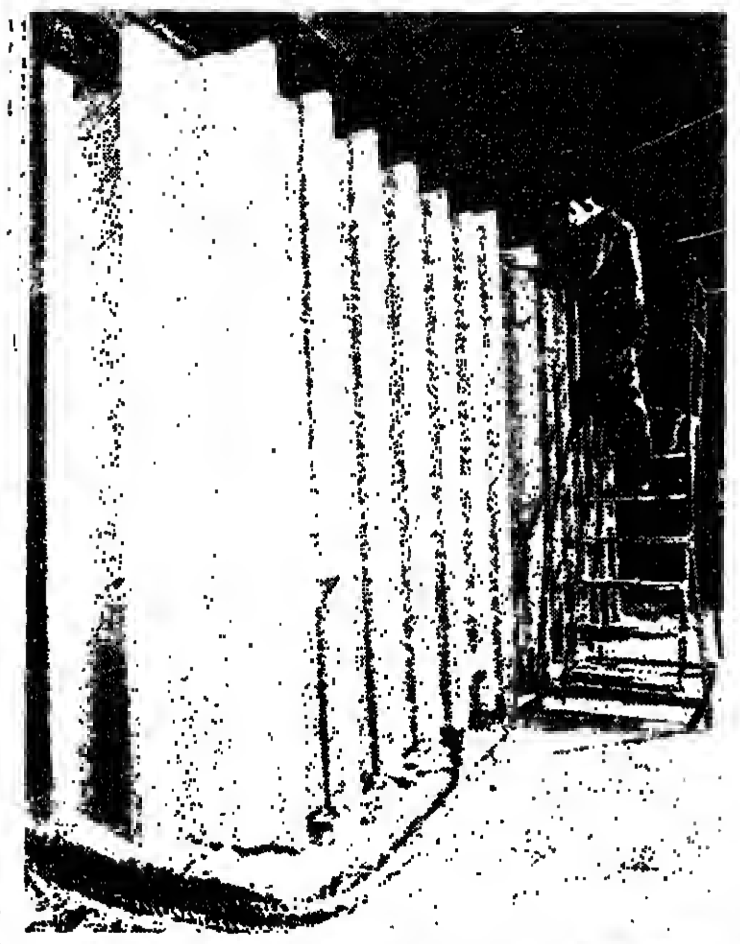
"We have laid the foundations for a steady expansion in our activity—and, I believe, export earnings—through collaboration with Europe on the Concorde, Jaguar, MRCA and helicopters, while making a substantial contribution to the A-300B air-bus.

"Nevertheless, we must accept that we face a difficult interim period before these major projects begin to make any substantial contribution to our balance of payments, and if we are to preserve our national capability—unique in Europe—we are urgently in need of decisions on new programmes, particularly with the long time required to fruition.

"Aerospace, with its continually advancing demands on designers, technicians and engineers, offers Britain the greatest opportunity to preserve its technologies, essential if we are to be a strong partner in the European Economic Community.

"With such aircraft as the supersonic Concorde and V/STOL Harrier, we can truly claim to be ahead of all competition. But, particularly in STOL and V/STOL, our lead is being steadily whittled away and, unless action is taken on firm projects soon, it will stand in danger of being lost altogether.

"At the same time, Governments of other countries, such as France, Germany and Japan, are showing a strong awareness of the need to expand their technological standing by offering increasing support to long-term development of their aerospace industries."



Keeglas, glass-reinforced plastic, is the material being used at the Greenhithe works of APV-Kestner for the construction of two band tanks, designed to support 30-ton Keeglas acid oil-splitting vats for an edible oil factory in Sweden. Total value of the contract is £25,000.

Defence orders from Iran and Norway

THREE companies yesterday announced export orders involving defence equipment for foreign governments.

The MEL Equipment Company, of Crawley, is to supply nearly £780,000 of "extras" for the Chieftain tanks ordered by Iran. The contract includes infra-red night vision equipment for the commander and gunner, a device that enables the commander to override the gunner and lay and fire the gun himself, and the Watson muzzle boresight which overcomes problems associated with barrel distortion.

MEL is also providing the elevating control for the main gun and complex electrical systems, including switches and junction boxes, for the cupola. Manufacture will be carried out at the company's factory at Crawley, and the Watson division at Barnet.

Another order to supply equipment to Iran has gone to Hugh Smith (Glasgow). The contract, worth £92,000, is to supply heavy duty shipbuilding machine tools for installation in a new ship repair yard being built at Bandar Abbas on the Persian Gulf, to service the mainly British-built ships of the Iranian Navy.

The main contractor, responsible for the delivery and installation of the equipment, is Millbank Technical Services, which is a company wholly owned by the Crown Agents for Overseas Governments and Administrations.

Finally, Ferranti has announced an order worth over £1m. by the Royal Norwegian Air Force for the supply of ISIS F-195R weapon aiming systems to be retro-fitted to the Northrop NF-5A aircraft. This contract award is the culmination of extensive evaluation including weapon system flight trials by Norway.

The ISIS F-195R is similar to other ISIS systems already in service in the Canadian CF-5A, Fiat G91Y, Saab XT-105, and Hindustan HF-24 aircraft.

Rotary Hoes in Brazilian link

TWO SERIES of tractor-powered Howard Rotavators will be built under licence in Brazil as a result of an agreement announced yesterday in which Rotary Hoes, of West Horndon, Essex, is taking a controlling interest in a local manufacturer.

The company concerned is Fabrica Nacional de Implementos (FNI) which is a leading implement manufacturer in Brazil with a product range that includes disc ploughs and harrows, planters, cultivators, rotary cutters, and so on. Its turnover last year was about £700,000.

The company is being renamed FNI-Howard. Rotary Hoes will have control, and the major holder of the remaining shares will be Sr. J. Ozi, president and chief executive.

Sr. Ozi is also director of SIMESP (Syndicate of the Industry of Agricultural Machinery of the State of Sao Paulo) which was instrumental in persuading the Brazilian Government recently to exempt from tax until 1974 tractors and agricultural equipment made in Brazil.

Initially, some parts and subassemblies for the Rotavators which are to be built locally will be supplied from West Horndon. Already 200 of these kits have been provided this year, and a further 600 are being prepared for shipment during the next two months.

ECGD backs £3m. credit for Israel

Financial Times Reporter

AN AGREEMENT signed yesterday by the Export Credits Guarantee Department has guaranteed the second £3m. line of credit made available to Israel this year.

Under the credit, negotiated by Charterhouse Japhet with the Bank Hapoalim BM of Israel, buyers in both the private and public sector will be placing orders in the U.K. over the next 18 months for miscellaneous capital goods and associated services required for the continued development of Israeli industries.

Finance under the credit will be available for 80 per cent. of the U.K. element of any individual contract of a minimum value of £20,000, at the fixed rate of interest agreed by the banks for EGCD-guaranteed medium-term business, currently 7 per cent. The balance, of 10 per cent., will be payable from the buyer's own resources.

Terms of repayment of the loan will be over a period of five to seven years, depending on the value of each individual contract.

Bank Hapoalim's chairman, Mr. A. Zabarski, who signed on behalf of Bank Hapoalim, commented: "We are particularly pleased to have completed negotiations with the Export Credits Guarantee Department. It marks the first major deal to be completed by our new London branch which has only been open five weeks."

The other Israeli line of credit guaranteed by ECGD earlier this year was made available to the Industrial Bank of Israel.

Steel production lowest for four years

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

U.K. STEEL production averaged only 390,800 tons a week last month—8.6 per cent. less than in June and the lowest figure in any month for four years.

In the first seven months of this year public and private-sector manufacturers produced 10.3 per cent. less steel than in the comparable period of 1970.

The main reason is clearly identified in statistics issued by the Department of Trade and Industry yesterday. They show that U.K. consumption of finished steel was about 4.06m. tons in the second quarter of 1971, after seasonal adjustment (5.3m. tons ingot equivalent), the lowest figure since the first quarter of 1968.

Apart from reduced demand, the lack of confidence among the main steel-using industries is also showing through in stock levels. It is provisionally estimated that stocks were reduced by a further 177,000 tons (240,000 tons ingot equivalent) after seasonal adjustment in the second quarter, continuing a de-stocking process which began at the start of the year.

It is generally accepted within the industry that demand is unlikely to improve before early next year, despite the Government's reflationary measures, and that steel users will continue to run-down stocks further rather than order new supplies.

At 390,800 tons a week actual steel production in July fell 37,100 tons below the previous month's level and 45,800 tons below comparable output for July last year.

According to the British Steel Corporation and the British Independent Steel Producers' Association, July's poor result can be attributed to a continuing low level of demand and the incidence of annual holidays—particularly in Scotland and Sheffield.

During the first seven months of this year the State-owned and private-sector steelmakers produced an average of 470,500 tons of steel a week, 54,000 tons a week fewer than in the comparable months of 1970.

BANK RETURN

	Wednesday August 11 1971	Inc. (+) or dec. (—) for week
LIABILITIES	£	£
Capital	14,553,000	—
Public Deposits	11,349,392	— 1,349,600
Special Deposits	412,700,000	+ 10,700,000
Bankers	123,217,359	— 17,645,494
Reserves & Other A/cs	251,527,574	+ 17,450,859
	873,347,325	+ 9,117,765
ASSETS		
Govt. Securities	741,327,712	— 2,716,000
Advances & Other A/cs	23,970,128	— 13,346,224
Premises, Equip't & Other Secs.	62,562,721	— 1,048,963
Notes	44,451,754	+ 20,867,680
Coin	1,035,089	— 69,626
	873,347,385	+ 9,117,765
Reserve	45,486,823	+ 20,797,952
Bank Rate	6%	—

ISSUE DEPARTMENT

	£	£
LIABILITIES		
Notes Issued	3,800,000,000	— 25,000,000
In Circulation	3,755,548,256	— 20,367,680
In Bank's Dept.	44,451,754	+ 20,867,680
ASSETS		
Govt. Debt	11,015,100	—
Other Govt. Secs.	3,421,942,789	— 32,219,543
Other Securities	366,942,111	+ 32,219,543
Coin	200,000	—
	3,800,000,000	— 25,000,000

Sun Alliance car premiums going up again

By Justin Long

ANOTHER insurance company is to increase its premiums for motorists for the second time this year. Sun Alliance and London Insurance yesterday announced that its motor policies are to cost an average of 15 per cent. more from September 1.

Following a 20 per cent. increase earlier, this brings the total increase for the year to 35 per cent. About 200,000 motorists will be affected when their policies fall due for renewal.

Eagle Star and Midland Assurance have taken similar action, and the Prudential is raising its car insurance cover by an average of 10 per cent. from September 1.

As with Sun Alliance, the rises follow higher premiums introduced earlier this year throughout this sector of insurance business, and are brought about because of the "continual escalation in costs of repairs."

Retail motor trade profits improve

PROFITABILITY in the retail motor trade has shown a marked improvement over the past 12 months, according to a survey of public companies in the trade.

The survey, conducted by the Bath-based Sewell Group, states that net profit over the year rose from 2.2 per cent. of turnover to 2.6 per cent.

Despite this, says the report, only 12 companies in the survey showed a return on funds employed above 15 per cent. and only three exceeded 20 per cent.

"Since 15 per cent. can be regarded as the minimum for long-term survival, these improved results are still less than satisfactory. The motor trade still has a long way to go if it is to attract the equity capital required for future expansion."

Troubles of the dollar analysed

THE ECONOMIC and investment implications of the present dollar troubles are analysed in depth this week's Investors Chronicle. Paul Bareau explains the turmoil in foreign-exchange markets and the effects it can be expected to have and indicates the options open to the U.S. Government.

Also, the mining editor shows that, however the problem is solved, the attractions of mining shares as the only serious answer in the U.K. for speculation in the value of gold must be enhanced. There is, as well, an appraisal of rubber shares after the lead given by the bid for Seafield. The article argues that rubber shares as a whole are over-priced in relation to present commodity prices and the likely conditions ahead, but that certain shares are worth retaining.

Heinz in packaging link with Swiss Aluminium

BY DAVID WALKER

H. J. HEINZ has formed a joint company with Swiss Aluminium "to explore and exploit the use of aluminium packaging in the food industry."

The news is given in the company's annual report, published this morning.

Its decision to move into the aluminium packaging field provides further evidence of the processed food industry's current thinking on packaging.

The use of aluminium by the industry has grown rapidly over the past few years. Heinz, however, does not at present employ it at all. The current product range is better suited to traditional packaging materials and its strong emphasis on canned goods has made it one of the biggest customers of Metal Box.

Last night, the company disclosed that it was looking at the possibilities for new types of processed foods, rather than substitute packaging for its current products. The project, in which it and Swiss Aluminium has a half share each, was in a very early stage, and no results were likely to be seen in the shops for some time.

The annual report also reveals that the opening of the company's first restaurant is due "shortly." The restaurant in London's Edgware Road was originally expected to be operating by last Easter.

It represents a new development by the company in Britain following the success of its "fast food" chains in the U.S. and Australia. Sales there, according to the report, have advanced by 135 per cent. over the past five years, compared with an industry rise of 25 per cent.

The retail catering venture, which will not trade under the Heinz name, is being regarded as an experiment which could lead to a chain of restaurants being developed in Britain.

That would mark a further step in the intensification of competition in the "fast food" business in the U.K., long dominated by J. Lyons' Wimpy operation, but now operated in by several other groups, most of them American owned.

Philippines study

SIR WILLIAM HALCROW and Partners, London consulting engineers, will advise on the feasibility of improving the Philippines' ports of Batangas, Tabaco, Cagayan de Oro and General Santos—a study required by the United Nations Development Programme. The firm will be advised on some aspects of the work by the Netherlands Economics Institute, and by Economic Associates and Urwick International, both of London. The contract, worth £200,000 was won in competition with U.S., French, Scandinavian and Japanese consultants.

Wool textiles disappoint

EXPORTS from the British wool textile industry in June totalled £11.2m. compared with £14.1m. in the same month of last year. In the first half of this year export earnings were £66.4m., £10.5m. less than in the first six months of 1970. An industry spokesman in Bradford blamed the lower level of activity of textile industries throughout the world, and especially in North America.

European News

French trade surplus in July pleases government

BY ADRIAN DICKS

PARIS, August 12.

FRANCE has registered a trade surplus of Frs.2,700m. (£200m.) during the first seven months of this year. This satisfactory performance was capped by a corrected surplus for July alone of Frs.426m., representing a rate of exports 4½ per cent. above the rate of imports.

Evidence

The July figures represented a considerable improvement on those for June, when the corrected results showed an almost exact balance, with a small surplus of Frs.20m. (£1.5m.) July exports, at a record Frs.10,175m. were 1.7 per cent. up on June, but the main reason for the sharp improvement on the previous month seems to have been a drop in imports into France of no less than 7.8 per cent. during July.

This drop is mainly the result of the slow-down in industrial production registered in the late spring, but now that this has begun to pick up again imports may resume their growth in the next month or two.

For the moment, however, the Government is understandably pleased at the July results and is saying so. The Finance Minister, M. Giscard d'Estaing, issued a message congratulating the French people "for their efforts concerning our exports"—the second such declaration of thanks he has made this week, following the full page advertisements in newspapers on Monday and Tuesday announcing France's repayment of its remaining IMF debt and new reserve level of $8,282m.

However, the trade results are more solid evidence of good health than the crude reserve figures, swollen as these have been by the very heavy dollar inflows into France which amounted to just under $500m. during July alone, and against which the French Government has now erected so formidable a barrier of anti-speculative measures.

Explanation

As if any remainder of its domestic reasons for fearing further speculation in the franc were needed, this week has seen a considerable political campaign get underway against the 10 centime increase in public transport fares in the Paris region recently announced by the Minister of Transport. The Socialist leader and former presidential candidate M. Francois Mitterand has asked for an explanation from the Prime Minister, M. Chaban Delmas to which an answer is now expected next week. However, M. Mitterand appears to have captured public imagination in taking the lead of a groundswell of discontent at continuing price increases.

PAYMENTS GAP IN JUNE

ROME, August 12.

The Bank of Italy said Italy had a provisional balance of payments deficit of lire 23,000m. in June, largely because of the payment of lire 38,000m. to the Common Market Agricultural Fund.

During the first half of 1971 Italy registered a surplus of lire 258,000m. compared with a deficit of lire 359,800m. in first half 1970, the bank added. Reuter

German-Italian gas pipeline

By Malcolm Rutherford

BONN, August 12.

A NEW German-Italian company has been formed to build a near 300-mile long natural gas pipeline through West Germany, which will supply gas from the Dutch concern Nam to Switzerland and Italy.

The line will have an initial capacity of 6,500m. cubic metres a year, 6,000m. for Italy and 500m. for Switzerland. It is planned to be ready by the end of 1973 at an estimated construction cost of around DM400m. Later, it is hoped that it can be expanded to take gas for Germany as well.

The company formed to build it is the Trans Europa Naturgas Pipeline Gmbh. jointly owned by Ruhrgas of Essen and Snam of Milan, a subsidiary of the ENI group. Share capital will be DM15m. and headquarters in Essen. The pipeline will link up with other networks near Aachen on the German-Dutch border and near Basle on the German border with Switzerland.

Meanwhile, Ruhrgas, the company which last year signed a major contract with the Soviet Union to bring large quantities of Soviet natural gas to West Germany, still hopes to announce a second Soviet contract in the course of this year.

LIKELY DATE OF BREZHNEV VISIT TO BELGRADE

MOSCOW, August 12.

LEONID BREZHNEV, General Secretary of the Communist Party, whose planned visit to Yugoslavia became known on Wednesday, will go to Belgrade between September 15 and September 25, the exact date to be fixed shortly, Communist diplomatic sources said to-day. The trip was described by the sources as a "working visit" of three-four days, and not a long tourist excursion such as Nikita Khrushchev undertook in 1963.

It is billed as a "Party and Government" visit, which, in Communist parlance, means that both relations between States as well as between the two Communist parties will be discussed. UPI

Romania takes steps to assure Moscow of loyalty to Comecon

BY MICHAEL SIMMONS, EAST EUROPEAN CORRESPONDENT

ROMANIA yesterday went some way to assuring Moscow of its fidelity to the Comecon group, and to the Soviet Union in particular, by publishing a long list of the economic and industrial projects on which it intends to co-operate with other countries in the foreseeable future. At the same time, through an article in the Party newspaper, Scinteia, it was made clear that Romania collaborated in such projects only of its "fully free consent."

Prominence was given in the article to intended Romanian investments in Soviet iron ore mining, and the proposal to build chemical factories with the Russians. Mention was also made of fuel and power imports from the Comecon area, co-operation in machinery production and agricultural projects.

Engineered

The article is a further demonstration of Romania's carefully engineered enthusiasm for the Comecon integration programme announced last week-end. While other Comecon members, somewhat surprisingly, have given the programme a rather cautious welcome, the Romanians have ostentatiously taken the line that it is "of great significance" to the general cause of socialism.

Consistently, however, they too have qualified their welcome. Internal economic developments should not be lost sight of, they said in a recent broadcast. "National sovereignty and State independence," it was pointed out, "acquire in the socialist system a profoundly social class content, expressing the sovereign right of the working class and the entire people freely to decide without any outside interference on society's advancement."

The reference to "interference" will not have been lost on the Russians—nor on those Western countries that are considering playing a more active role in the Romanian economy.

President Nicolae Ceausescu, meanwhile, continues to demonstrate his independence in other areas. At a Black Sea party given to senior Communist visitors from a number of European countries (tactically excluding East Europeans, but including for safety's sake a senior Soviet delegate) he said pointedly that the meeting was "an expression of international friendship and solidarity" — thus using a favoured Kremlin phrase, but hardly in a context of which the Kremlin would approve. The meeting, after all, included some very stern critics—notably from Spain—of Soviet foreign policy.

Rammed home

At the same time, Romania's exclusion from the Crimea meeting is still being rammed home—currently by the East Germans. A communique prepared this week by their Party leader, Herr Honecker, said this meeting had convincingly demonstrated the unity and cohesion of the "fraternal" socialist countries.

Meanwhile, a Romanian delegation of agricultural specialists, led by a Deputy Minister, is currently in China to study land use, and the cultivation of crops and vegetables.

HOLLAND

Help for the poor regions

BY OUR CORRESPONDENT IN THE HAGUE

HUNDREDS of men, women and girls marched through the streets of Groningen the other day to protest against the threatened closure of Groninger Kleding Unie (GKU), a group of six ready-to-wear men's clothing workshops. In view of the relatively poor employment situation in the North, the Government decided last week (July 23) to keep the least unprofitable parts of GKU going. A credit guarantee and a new manager will have to do the trick. Even so, more than 600 people, the majority of the GKU labour force, face immediate redundancy.

This sad story has again drawn attention to one of Holland's unsolved economic problems, the uneven distribution of industry and employment over the various regions. Similar episodes are bound to follow in the near future. Economic activity in the country as a whole is expected to level off at least until some time in 1972, and the North will have its share of victims.

Burden

It has already become clear that Mr. Barend Biesheuvel's new Cabinet, which meets Parliament for the first time next week (August 3-5), will make a special effort to improve regional employment.

Looked at nationally, the problem has two main elements. In the most densely populated coastal strip around Amsterdam, The Hague and particularly Rotterdam, space for additional industry (and the housing and infrastructure facilities which industrialisation requires) is running out. The burden on the environment is approaching its limits.

At the same time, there are not enough high grade industries and services in the three Northern provinces—Groningen, Friesland, Drenthe—and the extreme South to retain the young people growing up there, let alone to attract the migration from the West which a more balanced distribution of 13 million Dutchmen over a country only twice the size of Yorkshire would require.

During the inter-party negotiations which preceded the formation of the new Cabinet, a two-pronged policy emerged. New industries in the West will be subjected to some form of tax or levy. Regional development will now be concentrated on the three Northern provinces and, at the other extreme, on Limburg's Southern tip. This means that two other provinces will lose their special development facilities. They had already been withdrawn from a third at the beginning of this year.

The publication, in mid-July, of a very detailed three volume report on the prospects for the manufacture of process control apparatus, electro-medical apparatus and plastic products in the three Northern provinces, could hardly have come at a more opportune moment. It was commissioned some years ago by the then Minister of Economic Affairs from Arthur D. Little (ADL), the U.S. management consultants, and prepared by their European head office in Brussels.

For each of the three industries mentioned, the report analyses the present European market and its expected development over the next five to ten years. These analyses are translated into forecasts pointing to the sub-sectors with the most promising medium and long-term growth prospects. The advantages of manufacturing the products concerned in Northern Holland are set out in some detail.

There is a large market for *process control apparatus* in Western Europe, says the report, and it is showing a healthy rate of growth. Total West-European sales are expected to increase from an estimated $644m. in 1969 to nearly $950m. in 1974 and some $1,224m. in 1979.

There is a rather smaller European market for *electro-medical apparatus*. Excluding medical computer systems, its value was between $250m. and $300m. in 1969, with Britain and the Common Market countries accounting for $210m. worth between them. From 1970 to 1980, this market is expected to grow by an average of 9 per cent. a year in Britain and the EEC countries, lifting their combined sales potential to some $550m. in 1980.

Some sub-sectors will show much more than average growth. Several companies with activities in these fields are expected to set up new factories in Europe within the next three years. Productions in this category which could prove of immediate interest to the North are: patient monitoring equipment, X-Ray image intensifiers, nucleo-medical apparatus and automatic analysers.

Plastics fabrication, says the ADL report, is a very large industry indeed. About a quarter of the world's production is concentrated in the Common Market and Britain. An average of $2,000m. will be invested in manufacturing plant in each of the next five years. The annual rate of consumption should rise by at least 11 per cent. throughout the 'seventies.

Holland's plastics fabrication industry is relatively independent. Most of the important raw materials are produced here. Know-how and trained labour are available. The industry is, on the whole, well developed and integrated. As a rule, the leading companies can hold their own against EEC competition. Many

Dutch provinces with development problems.

Dutch companies export a large proportion of their output to other EEC countries, particularly Germany.

The particular attraction of the approach, on which the Arthur D. Little report is based, lies in the fact that employment in a region where a large proportion of the labour force still works in agriculture and other weak or contracting industries, would gradually be shifted to lines of production with better long-term prospects.

Indeed, the advantages of manufacturing the products concerned in Northern Holland are set out in some detail. Roads, ports, industrial estates and other infrastructure facilities are reasonably developed and still being improved. There is plenty of space. Labour relations are stable (But not, it should be added, altogether without problems. Eastern Groningen has become the third most troublesome centre of Communist agitation after Amsterdam and Rotterdam in recent years.) The natural surroundings are pleasant, the Government provides investment grants of up to 25 per cent. and additional facilities in certain cases.

There are special advantages too, for the three industries in question. The electro-medical sector, for instance, may benefit from the facility of the medical faculty and teaching hospital in Groningen town. The research activities of TNO, the Dutch counterpart of the British Department of Scientific and Industrial Research, could be of particular use to plastics fabrication firms. Producers of process control apparatus would have the advantage of relative proximity to the enormous concentration of chemical and petro-chemical industry in the Rotterdam-Antwerp-Dusseldorf triangle.

Although Holland's northern provinces do not themselves form part of this triangle, on the spot investigation has shown that the north's apparently eccentric situation does not in fact give rise to many real problems for the firms working in the area. Spokesmen for the companies which have set up shop in the North did state that they had not regretted their choice of locality.

The report also recommends a series of measures to be taken by the regional and national authorities to speed up the North's industrialisation. These include a more centralised and vigorous approach to the acquisition of new industries; a reduction in the number of development centres—towns and villages where special facilities for industrial establishment and expansion are provided—from the present 26 to 10 or 12; and the setting up of technological research and management training centres in conjunction with Groningen University.

Miracles

The previous Government had already made a start with the implementation of some of ADL's recommendations. A central Northern industrialisation bureau led by Mr. Bloemendal, the State Mines official who worked miracles in attracting new employment for Limburg's pit labour during the late 'sixties, was set up in Groningen last year. Partial compensation for the removal expenses of firms resettling in the North was introduced this year.

The new Cabinet will undoubtedly regard the preparation of additional measures as one of its most urgent tasks.

Mintoff dissatisfied with British aid proposals

BY RICHARD JOHNS

THE aid offer proposals by Britain following consultations in the NATO Council were greeted angrily by Mr. Dom Mintoff, the Maltese Prime Minister, when they were presented on Wednesday night, according to reliable diplomatic sources.

By yesterday evening there had been no more communication between Mr. Mintoff and Sir Duncan Watson, the British High Commissioner in Valletta, who passed on the proposals.

It is understood, however that Sir Duncan has been given a margin for manoeuvre and may not necessarily have played all the cards at his disposal at once.

In all, he has apparently been empowered to offer as much as £15m., a year in return for the use of Malta's military facilities. But this global sum would contain a proportionately high loan element, believed to be £6m. This would leave the total of outright grant at something like £9m. Britain is willing to contribute £5m. as grant and £3.5m. as loan.

Apart from the amount of money offered, another major issue centres around whether or not the facilities are regarded as being leased to Britain alone—as Mr. Mintoff demands—or to the NATO Alliance as a whole, as the U.K. and its allies are insisting.

In addition, Britain wants use of the military facilities exclusively for its own and NATO purposes with a guarantee that they will not be offered to "third parties"—in effect, the Soviet Union.

Not satisfied

Godfrey Grima reports from Valletta: Anything can happen now following last night's 75-minute encounter between Mr. Mintoff and Sir Duncan Watson who handed over Britain's reply to Malta's demands for an annual £30m. for the lease of defence facilities on the island.

Mr. Mintoff is not satisfied with the reply which, according to reports, comes in the region of an annual £9m. But according to authoritative sources, the Maltese Premier has not been given a take it or leave it offer. There is a margin—although perhaps slight—for negotiation.

One source said this afternoon, "the Maltese Prime Minister is not in possession of all the details. It is, therefore, difficult to envisage how the Malta Government will react."

Still there appears little likelihood of Mr. Mintoff deciding to talk over an offer which drastically falls short of his demand.

This morning he called in Brigadier George Micallef, Commander of the Malta Land Force, and Mr. Effie Bencini, formerly Commissioner of Police who has now been made Major-General with authority over the Police and the Army, for lengthy discussions at his office. At one time the square in front of the Auberge d'Aragon, the Premier's office, looked like a battlefield strewn with Police and army vehicles.

Needless to say, nerves are on edge. Everyone feels the week-end will be marked by some action by Malta.

Mr. Mintoff has already made known his views on the Defence Agreement of 1964 which he deems to have been abrogated in 1967. It is almost certain, therefore, that he will start withdrawing benefits granted to the British services and the NATO area headquarters under the treaty, including duty free entry of fuel and supplies.

Call for research into savings

By Our Own Correspondent

STOCKHOLM, Aug. 12.

AN International seminar on ways to mobilise savings in developing countries ended here to-day with a call for more effective methods in international research in this field. The meeting, attended by 60 delegates from 20 countries, was arranged by the UN in co-operation with the Swedish International Development Authority and the Swedish Savings Banks Association.

The recommendation stated that the United Nations Secretariat, in co-operation with the International Savings Banks Institute, the World Council of Credit Unions and the International Union of Building Societies and Savings Banks Associations, should study the feasibility of working out effective research on an international level whose results could be used by developing countries when setting up their own personal savings schemes.

At the same time, it was suggested that national associations of savings banks and other interested government and private institutions and agencies might find it possible to contribute to a fund for financing such research and training.

Also discussed were methods for fighting inflation in savings, and recommendations that developing countries should seek to formulate interest rates that are reasonable enough to stimulat savings. Other points discussed included problems encountered in urban and rural areas, the co-ordination of personal savings policies with policies of different sectors of the economy.

Inquiry ordered into Spanish hotel collapse

MALAGA, August 12.

SPANISH government officials today ordered a full scale inquiry into the luxury hotel collapse that caused death and havoc in this southern Mediterranean resort area yesterday. When the terraced roof over the bar-breakfast room of the Hotel Riviera—a one-time haunt of former Argentinian dictator Juan Peron—caved in suddenly Wednesday morning, four persons were left dead and another 12 injured.

Only the 60-yard long bar annexe of the 10-storey building was affected and authorities sought to find out if the roof had been weakened by a tennis court built overhead.

Despite assurances of the Malaga civil governor, Victor Arroyo, that the bar collapse in no way affected the stability of the main hotel building, the capacity-filled residence was evacuated. The Riviera's 354 guests were doubled with other vacationers in nearby locations on the Costa del Sol.

Workmen and police combed the rubble late Wednesday night, although no persons were reported missing and authorities said that it was unlikely that anyone remained buried under the debris.

The Riviera hotel collapse was the third major building disaster in Spain in three years. In 1969 52 persons were killed at a wedding reception when a restaurant caved-in near Segovia. Last summer an uncompleted nine-story apartment block in Almeria, southern Spain, toppled killing nine workers.

Three young British children escaped with only a few scratches last night after being trapped for more than eight hours under tons of rubble. UPI and Reuter

BERLIN TALKS TO CONTINUE ON MONDAY

WEST BERLIN, August 12.

THE FOUR-POWER talks on Berlin will be continued on Monday, the Soviet chief delegate to the complex negotiations, Ambassador Mr. Piotr Abrassimov, announced to-day.

His statement confirmed that the four sides, the U.S., Britain, France and USSR had so far failed to clear all issues of their 16-month-old negotiations. Reuter and UPI

Other Overseas News

IN BRIEF

● SUDAN extended tentative peace feelers toward the Soviet Union yesterday in the wake of mediation talks by a Syrian mission. Mr. Babakir Awadallah, the Deputy Chairman of the Revolutionary Command Council, praised the Soviet stand in support of the Arab States against Israeli aggression and said: "Sudan does not reject any positive plans to improve the situation with the Soviet Union."

● HANOI'S two top negotiators stayed away from yesterday's session of the Vietnam peace talks in what was interpreted as a possible sign of displeasure over delay in the arrival of the new American delegation leader, Ambassador William J. Porter.

● RHODESIAN maize was exported to Zambia for the first time yesterday following the Zambian decision to import from Rhodesia and break with her previously tough sanctions stand across the Zambesi river.

● INDIA — Registered refugee arrivals from East Bengal during week ended August 10 have increased again to an average of 40,000 daily. The total influx has already passed 7½m.

● INDONESIA—German banker Mr. Hermann Abs arrived at Djakarta yesterday at the invitation of President Suharto. Besides seeing Suharto, Abs will have discussions with Central Bank Governor Radius Prawiro and Finance Minister Ali Wardhana.

● PAKISTAN — The permanent head of the Pakistani Foreign Office, Sultan Mohammed Khan, has been reportedly invited to visit the Soviet Union. He is expected to discuss with the Kremlin leaders Soviet-Pakistani relations, and tensions in the Indo-Pakistan sub-continent.

AFRICANS TAKE OVER BUSINESSES

By Our Own Correspondent

NAIROBI, August 12.

SINCE KENYA'S Trade Licensing Act came into force nearly four years ago some 800 businesses in Kenya of various types had been taken over, the Director of Trade and Supplies in the Ministry of Commerce, Mr. M. Kahetu, said here to-day.

The act was introduced to transfer businesses from foreigners to Kenya citizens—mainly to transfer businesses from non-citizen Asians into African hands.

McMahon dismisses Gorton from Cabinet post

BY MICHAEL SOUTHERN, AUSTRALIA EDITOR

SYDNEY, August 12.

THE PRIME MINISTER, Mr. McMahon, to-day dismissed Mr. John Gorton from the Australian Cabinet. Mr. Gorton, Minister for Defence and former Prime Minister, remains as deputy leader of the Liberal Party—at least until a meeting of the Parliamentary Party next week when the situation will be discussed.

Mr. Gorton was given no alternative but to resign following the publication of the first of a series of articles in the Sunday Australian (a paper owned by Mr. Rupert Murdoch) last week-end about his term as Prime Minister. The articles were prepared to refute criticism of Mr. Gorton in a book "The Gorton Experiment" recently published by a journalist, Mr. Alan Reid, which made savage and personal attacks on Mr. Gorton.

Mr. McMahon issued a brief statement this afternoon following a 12-minute confrontation between the two men in Parliament House. It said he asked Mr. Gorton to see him about his decision to write a series of articles for the Sunday Australian.

"I informed him that, in my opinion, his action breached basic principles of Cabinet solidarity and unity and reflected on the integrity of some Ministers. I therefore asked Mr. Gorton to let me have his resignation. This he agreed to do."

No replacement for Mr. Gorton has yet been announced. It is expected that, at the week-end, Mr. McMahon will appoint the present Minister for Education and Science, Mr. Fairbairn. This will, in turn, allow Mr. McMahon to bring Mr. Malcolm Fraser back into the Cabinet, in Mr. Fairbairn's portfolio. It was Mr. Fraser's resignation from the defence portfolio five months ago which precipitated Mr. Gorton's downfall as Prime Minister. But while Mr. Gorton remained deputy leader and a Cabinet Minister, it was impossible for Mr. McMahon to give Mr. Fraser a seat in the Cabinet.

Mr. Gorton said to-night that he did not feel that he had breached Cabinet solidarity. "I indicated that I could not see how refuting the scribblings of some journalist would cause damage to the party."

Mr. Gorton said he intends to continue writing the articles. He also intends to remain in politics, on the back benches. He is 59, and has been in the Ministry for 13 years.

Mr. McMahon said later that he did not think Mr. Gorton's dismissal would affect solidarity in the party. "I am sure he will give complete loyalty to the leadership." This is the second sacking by Mr. McMahon of a Cabinet Minister this month. The first to go was Mr. Leslie Bury, the Minister for Foreign Affairs and a Gorton supporter.

Mr. McMahon has been seeking a way of ridding himself of Mr. Gorton ever since he took over from him as Prime Minister. The two men have made no pretence about their antipathy to each other. For Mr. McMahon, Mr. Gorton's presence in the Cabinet, and as deputy leader has been a constant embarrassment in that he has been unable to gather around himself loyal supporters.

Egypt sets U.S. Sunday deadline

BY OUR OWN CORRESPONDENT

CAIRO, August 12.

PRESIDENT ANWAR SADAT has given the Americans until Sunday to come up with fresh ideas for a Middle East settlement. After that Egypt will exercise its right to freedom of action, according to Mr. Mohamed Heykal, Al Ahram's chief editor and a close confidant of the President.

Mr. Heykal writes in his Friday column that President Sadat had fixed the August 15 deadline in July after receiving messages from President Nixon and Secretary of State, Mr. W. Rogers, requesting a further period of grace for them to try their peace efforts. The Americans had asked for clarifications of the Egyptian stand and then time to take new steps, in particular to send assistant Secretary of State, Mr. Joseph Sisco to Israel.

Mr. Sadat agreed, Mr. Heykal writes, but told the Americans that Egypt was not prepared to let the occupation of its territory enter a fifth year, that the United Nations General Assembly was meeting in September and that Egypt was determined to make the world body a party to the crisis.

Washington was to inform Cairo of the results of the Sisco mission by August 15: after that Egypt was free to act as it thought fit.

Mr. Heykal is apparently referring to last month's visit to Cairo by Mr. Donald Bergus, U.S. chief diplomat here, and Mr. Michael Sterner, head of the Egyptian desk at the State Department as the moment when the time limit was set. He says the Americans seemed to believe that the Soviet-Egyptian treaty signed in May had changed Egyptian policy.

They asked whether Mr. Sadat's proposal of February 4 for the reopening of the Suez Canal was still valid. The President had emphasised that the treaty placed no restrictions on Egypt's actions and that his proposal still stood.

Preparations for Egypt's diplomatic offensive at the UN are underway at the Egyptian Foreign Ministry, where Foreign Minister Mahmoud Riad, yesterday evening conferred with Egypt's UN envoy Mohmed al Zayyat, Ashraf Ghorbal, the chief diplomat in Washington and the Ministry's policy planning team.

The Middle East deadlock will be one of the subjects discussed at a tripartite summit meeting in Damascus which is to be held next Wednesday, August 18, by President Sadat, Colonel Muammer Khedafii, the Chairman of the Libyan Revolutionary Command Council, and President Hafez Assad of Syria. Sadat's journey will be the first visit by an Egyptian Head of State since President Nasser went to Damascus in 1961 prior to the break up of the union with Syria.

The main subject of the agenda, however, will be the draft constitution of the proposed Federation of Arab Republics which is to group the three countries. It is planned to hold a referendum in all of them on September 1 to give the document popular approval.

Hussein handed Egyptian-Saudi plan for commandos

BY OUR OWN CORRESPONDENT

CAIRO, August 12.

THE Egyptian and Saudi envoys now in Amman have handed King Hussein a six-point memorandum for solving the conflict between Jordan and the Palestine commandos, an official spokesman confirmed to-day. Cairo believes that there is a reasonable chance that King Hussein will accept the six points.

They are: 1) Jordan must declare its full commitment to the Cairo peace agreement signed by King Hussein and guerilla leader Yasser Arafat in September, 1970 and the Amman accord signed by the two later; 2) The Arab political and military follow-up committees in Jordan must be allowed to resume their supervision of the working of these agreements; 3) The Jordanians are to release all commandos detained after the recent fighting; 4) The Palestinians will abolish all underground organisations in Jordan; 5) Each side must halt all propaganda campaigns against the other; 6) "National conciliation" must be proclaimed to restore security in Jordan for the commandos to resume the fight against Israel.

A spokesman said to-day that in the Egyptian and Saudi view the six points would meet both Jordan's claim that it must retain full sovereignty over its own territory and the Palestinians' demand that they must have freedom to act against Israel.

U.S.-Japan trade dispute

TOKYO, August 12.

THE U.S. intends to take retaliatory action against Japan because it is dissatisfied with this country's import liberalisation programme, Mr. Yoshihiko Morozumi, Japan's Vice-Minister of International Trade and Industry, claimed to-day. He said the U.S. Government, disappointed at the slow tempo of Japan's import liberalisation, intended to invoke retaliatory rights under the General Agreement on Tariffs and Trade.

Earlier, Foreign Ministry sources said the U.S. Government had told Japan its liberalisation steps, taken as part of a programme to stem growing overseas pressure for revaluation of the yen, were considered extremely inadequate.

It was understood the U.S. was taking its case to GATT on the basis of article 23 of the rules which permits a member country to retaliate if its interests are infringed. Government sources said the American intention was conveyed to Nobuhiko Ushiba, Japanese Ambassador in Washington, earlier this month.

Reuter

MIDDLE EAST AFTER NIMAIRI'S SHOWDOWN

Arab Socialism v. Moscow

BY RICHARD JOHNS, MIDDLE EAST CORRESPONDENT

PRESIDENT NIMAIRI'S showdown with the Sudanese Communists has torn away the veil which for over a decade now has clothed the differences between the Arab socialists of radical persuasion and the Communists of the Kremlin. Sometimes conflicts have protruded, but generally both sides have tried to keep them concealed by a kind of mutual consent based on self-interest.

The Soviet Union seemed to learn from Mr. Nikita Khrushchev's quarrels with President Nasser between 1958 and 1960 that, if it was to extend and maintain its influence in the Middle East, it could not afford to risk the kind of backlash which over-zealous promotion of Arab Communist Parties might create. The Kremlin reluctantly seemed to appreciate Nasser's assertion that a basic contradiction existed between Arab Socialism and Marxism. For him Communism was atheistic and involved a measure of outside control from Moscow. His belief that the Arab world should evolve its own form of socialism peculiar to its own needs and character has been shared by the Baath Party whose factions have been in power in Syria since 1963 and in Iraq since 1968.

In his weekly column last week Mr. Mohammed Heykal, the editor of Al Ahram and a confidant of President Sadat, recalled Egypt's differences with the Soviet Union in 1958 "due to a very grave historical error of an Arab Communist Party—the Iraqi Communist Party." In effect, having leapt on to the band-wagon of the Kassem regime after the overthrow of the monarchy, the party terrorised the sizeable "pan-Arab" political element in Iraq which acknowledged Nasser's leadership and wanted closer union with Egypt. There followed the detention of Egyptian Communists, and several years of strain in relations with Moscow.

It is generally agreed that, as a result, the Soviet Union decided at this point to put its own interests before ideological commitment.

Confrontation with Israel

The Arab Socialists in Egypt, Iraq and Syria—the countries where the latest conflict had been most abrasive in the past—have been mindful of the need not to push their antagonism to local Marxists too far. Firstly, there has been the consciousness of the overwhelming reliance on Moscow in the confrontation with Israel, especially for weapons, and for economic development. As Khrushchev is reported to have said to Nasser during their 1960 argument:— "Think of the spare parts, Gamal." On the Arab side it has been understood in both Baghdad and Damascus that there are limits to Soviet patience. But in the spring of 1970 the trade union journal Trud complained bitterly about the torture of Communists in both Syria and Iraq. Now Izvestia and Tass have condemned the "bloody terror" perpetrated by President Nimairi in executing 14 Army officers and Communists responsible for the July 19 take-over.

In the Sudan the ground rules have been well and truly broken on both sides. There is little doubt that the Soviet and Bulgarian diplomats in Khartoum did act in a way which made nonsense of Moscow's protestation of "non-interference." The immediate cause was the mounting pressure by President Nimairi on the Sudanese Marxists. Nimairi, though he has not specifically accused the Russians of plotting against him, has gone farther than any other Arab leader in accusing the Soviet Union of being a "coloniser."

Mr. Heykal reflected Egypt's embarrassment. On Friday he wrote that the whole affair had been a gross political error which would have to be patched up quickly—or the planned federation of Egypt, Libya, Syria and Sudan would suffer the consequences. He was critical of the executions and stressed Cairo's efforts to save Ahmed el Shafei, the Sudanese trade union leader.

Mr. Heykal pointed out that the Soviet Union could not remain silent in the face of pressures from its client Communist Parties. But he also castigated the Sudanese Communists' failure to understand that developing countries do not have strong enough working-class parties to form a "dictatorship of the proletariat."

Mr. Khaled Bakdash

Mr. Mohammed Heykal

Mr. Heykal recounted how Egypt found its own solution to the problem of a local Arab Communist Party and its relations with Moscow. The Egyptian Communist Party merged itself into the Arab Socialist Union after Nasser had released the gaoled Marxists in 1963 and 1964. Subsequently, they were freed and became prominent in some fields like publishing and teaching. Khaled Mohieddin, one of the original "Free Officers," known as the "Red Major," came back from exile in East Europe and became head of the Al Akhbar publishing house. Thus, although the party has remained dead, a strong streak of Marxism has been legalised in Egypt's political life.

What Mr. Heykal did not say was that the submersion of the Communists into Egypt's one-party political system has created endemic tensions. The most recent one to show itself was the statement by the Cairo-based International Federation of Arab Trade Unions which condemned President Nimairi's executions. The statement, which was publicised by East European media, was an embarrassment to President Sadat who ordered an immediate investigation into its origin. It was reported that Khaled Mohieddin had been put under house arrest as a result. The Government denied that Mohieddin had been restricted, but it was understood from informed sources that he had been questioned about the affair.

To Egyptian observers of their own political scene, the country's crypto-Communists and their sympathisers have always seemed subject to a potential conflict of loyalties. Last year Lutfi el Kholi, editor of the journal of Marxist thought Al Talia (part of the Al Ahram stable) was arrested together with Mr. Heykal's own secretary, and the immediate reaction of many well-informed Egyptians was that they had been communicating secrets to the Soviet Embassy.

This was probably not true, but the interpretation was nevertheless significant. The Soviet Union, for its part, has seemed equally anxious that "progressive" elements should remain prominent in the regime. During the power struggle in the Egyptian regime in the spring there was little doubt that some of the ideologically more left-wing elements in the ASU were gathered around the former Vice-President Ali Sabri's opposition group.

Pravda commented meaningfully that the crisis divided "the national and progressive forces" in Egypt and did not constitute "a retaliation to the imperialist conspiracies." There followed the Soviet-Egyptian Treaty with its assurances, apparently meant for President Podgorny's doubting colleagues back in Moscow, that Egypt had "set for itself the aim of reconstructing society along Socialist lines." Alarmist Israelis have seen in this part of the treaty a version of the Brezhnev doctrine. Mr. Heykal's passing comment on Friday was that the treaty had no value for him other than the liberation of the Israeli-occupied territories. It is clear, however, that the Soviet Union expects the Egyptian leadership to take care of those whom it considers to be good socialists.

In Syria and Iraq where the Communist parties have retained their own identity the issue is more clear cut. In both countries the ruling Baath Parties have been going through the motions of trying to align the Communists in a common front, but without conspicuous success. One reason is that the Syrian and Iraqi Communist Parties, both of them stronger than the Egyptian one ever was, follow the Soviet line in calling for a diplomatic solution of the Arab-Israeli impasse. More fundamentally, the Baathists no more want to hand over any real political power than the Communists would if they had it. There is Communist representation in the Cabinets in both Damascus and Baghdad but not in the Baathist National Commands which remain the sole repository of authority.

The Communists' position is better established in Syria than in Iraq at present despite the fact that President Hafez Assad before becoming Head of State was much less sympathetic to his country's Marxists than the extreme left-wing ideologists of the Baath Party, whom he ousted from power last November. However, Assad decided to broaden the base of the regime beyond the narrow and cliquish Baathists by including Communists and Nasserites.

President Assad's attempt to establish a wider following for the regime was connected with his decision last November to join with Egypt, Libya and Sudan in the proposed Federation of Arab Republics. In practical terms, however, little has changed in Damascus power structure. There are now two Communist Ministers in the Cabinet compared with only one before. Eight members of the Party were elected to the People's Council.

The veteran Communist boss Mr. Khalid Bakdash, like the Nasserite leader Jamal Atassi, considers President Assad's recognition of the party as a progressive step. But Bakdash points out that inclusion in the Cabinet and the People's Council does not amount to participation in a "popular front." The party's publications remain clandestine. Mr. Bakdash, it should be noted, is an Arab Communist who has complained in the past about the way in which the Soviet Union has compromised with "petit bourgeois" regimes.

In Iraq the rival faction of the Baath Party has had the same avowed aim of partnership with Communists and Nasserites. The decision to include the Communists in a broader front was taken at a Party Congress late in 1969. Dr. Aziz Sharif, an old Communist leader from royalist days and an office holder in the Moscow-sponsored World Peace Movement, was appointed to the Cabinet as Minister of Justice early in 1970. It seems probable that one reason for President Hassan al Bakr's move to bring about co-operation was the need to end the Kurdish conflict—the Marxist-orientated Kurdish Democratic Party headed by the "Red" Mullah Barzani has always had links with the Iraqi Communists. The settlement was brought about in April 1970, but has still to be implemented. Meanwhile, there has been a steady worsening of relations between the Baathists and the Communists in Iraq.

Turning towards China

Differences between Baathists and Marxists over Egypt's search for a peaceful settlement to the Middle East crisis has been a more contentious issue than in Damascus. There has also been conflict over internal and economic policies. Recent reports in the well-informed and independent Beirut newspaper Al Nahar have not been encouraging as far as the partnership experiment is concerned. According to them, a faction of the Iraqi Communist Party calling itself the Central Leadership has been committing acts of violence in southern and central Iraq.

In branding the Soviet union's policy as "colonialism with another face" President Nimairi has expressed a resentment which has been felt before by Arab radicals. Apart from the committed camp followers of Moscow, there are few Arab Socialists in Cairo, Damascus or Baghdad who are not aware that the Soviet Union is another Great Power pursuing its own ends. If there were a solution to the Middle East crisis, it would be surprising if all three countries did not take a "Third World" posture as Algeria—whose President Boumedienne wants to see the Mediterranean rid of the U.S. Sixth Fleet and the Soviet Black Sea Fleet—has already done. Significantly, President Nimairi has now turned to China as an alternative friend to Russia.

Indo-Soviet treaty may lead to plan for regional security

BY K. K. SHARMA

NEW DELHI, August 12.

THE Indo-Soviet Treaty of "peace co-operation and friendship" signed on Monday, which commits each country to come to the other's assistance in the event of an attack on either, has given new impetus to the idea of a regional security arrangement for South East Asia, which was first mooted by Leonid Brezhnev 18 months ago in Moscow.

Other countries in South Asia will undoubtedly give deep thought to the factors that impelled a major Asian country like India to make such a significant shift in its foreign policy. Already there are reports that Japan and other countries like Malaysia and Indonesia are actively studying the implications of the Treaty, which has sucked India into the Soviet orbit and given concrete shape to the Brezhnev proposal.

It is not without significance that India's leaders proclaimed immediately after the signing of the treaty that it did not mean the abandonment of the traditional policy of non-alignment. The Foreign Minister Mr. Swaran Singh and Premier Mrs. Indira Gandhi underlined the invitation to other countries to sign similar pacts with India.

Russia has thus taken a dramatic lead in Asian politics by seizing the opportunity presented by India's isolation and Pakistan's truculence: the timing has only been hastened by such events as the East Pakistan civil war, the U.S. military and diplomatic support of Pakistan, and the impending Sino-U.S. detente.

It is true that all these factors combined to force India's Foreign Office to sign the treaty in a near panic, but the treaty itself only formalised the increasingly close Soviet-Indian relations which, over the past two decades, have been marked by growing co-operation in economic, military and diplomatic fields. Russia has helped India build giant industries like steel mills, heavy engineering plants, power projects and the like all over the country, while Western aid has been limited largely to providing non-project loans for imports.

Militarily the Soviet Union has provided arms at low cost to all three wings of India's armed forces. It sold submarines and other war vessels when Western nations gave a blank "No" to India's shopping list following the war with Pakistan in 1965. India's Air Force flies MIGs made in this country with Soviet help and SU 7s sold when other countries refused to supply bombers.

In addition, the treaty bars the Soviet Union from furnishing arms to Pakistan, and this has removed a major irritant in Indo-Soviet relations: it is no secret that the USSR's decision to supply an unspecified quantity of arms to Islamabad at one stage made India so suspicious of Moscow that Premier Kosygin himself flew to New Delhi to attempt to allay India's fears. It is only now that Moscow has unequivocally given up its efforts to mend fences with Pakistan. A key example of this is the tacit assurance given by Mr. Gromyko, not fully reflected in the joint statement issued at the end of the recent talks with Indian leaders, that Russia supports India's policy on East Pakistan.

Many in India feel that non-alignment as conceived by Nehru is no longer an adequate policy and that this country must shorten its sights and take its neighbours more seriously. Hence the growing tendency to look for Asian allies.

The Technical Page

EDITED BY ARTHUR BENNETT AND TED SCHOETERS

● POLLUTION

Protecting power insulators

ACCORDING to Dow Corning International, half a million people were deprived of electricity for several hours in Germany in 1969 as a direct result of pollution effects on transmission insulators. It happened in Bremen where Stadtwerke Bremen Aktiengesellschaft suffered a complete breakdown because, although a coating had been applied to the insulators it had not completely absorbed the conductive particles continuously alighting on its surface as a result of air pollution.

The particles had formed a conductive coating on the surface and as well as this ice had formed: when it melted 19 flashovers occurred within a few minutes, resulting in total breakdown of the Bremen network.

The power station insulators have since been coated with Dow Corning 1S silicone for an experimental period of a year and, claim Dow, the trouble has been cleared up. It was found that the coating had absorbed all the particles as they alighted on the surface and that this absorption had continued right down to the insulator surface at a uniform rate.

The company says that the coating is particularly useful on two scores. First, it continues to absorb surface particles throughout its life, thus ensuring that water is repelled. Secondly, it can be sprayed on, allowing the user to apply whatever thickness is required to absorb all alighting particles.

LIDAR—range-finding radar based on a laser—in a mobile form is being used here in the study of vapour dispersal and smoke plume formation at a Central Electricity Generating Board site. The mobile system has been developed in the course of collaboration between the Rugby laboratories of Laser Associates, located in Panes Lane, Rugby, and the Central Electricity Research Laboratories in Leatherhead. The developers believe the unit to be the world's most advanced system—it has cost some £20,000—and with the present heightened sensitivity of the man in the street to pollution by smoke and other emissions it could be of considerable importance to CEGB. The LIDAR technique operates in a manner similar to radar. It permits more accurate measurements to be made than in the latter case and it operates by sending a light pulse from a laser through a collimating telescope to the target where it is scattered by smoke particles, water droplets and certain gas molecules. The backscattered signal is collected in an 8-inch Newtonian telescope and examined by a photomultiplier. The strength of the received signal gives an indication of the density of the scattering source and therefore can be used to detemine the extent and gravity of pollution.

Bognor outfall in position

WILLIAM PRESS has announced that the 42 inch 1¾ mile sewage outfall at Bognor Regis, Sussex, has been pulled into its final position on the seabed.

The scheme, chosen as the alternative to a full scale inland sewage disposal plant will be an improvement over the present 600 yard outfall and its construction has been technically interesting.

Work began in October, 1970, and throughout the winter months the pipeline has been welded into strings, coated and lined. Simultaneously, the site traverse rail system and the roller launchway were constructed. Last month the final 1,200 feet of pipeline was pulled into position in a pre-dredged trench by a 150-ton winch aboard a pontoon anchored 2¼ miles out to sea. In three weeks some 9,000 feet of the pipeline coated with 4 inches of concrete and lined with ½-inch of cement mortar was pulled on the launchway across the promenade and beach into the sea.

The pumphouse and associated land section of the pipeline is now under construction by J. E. Billings and Co., a subsidiary of William Press.

● TRANSPORT

A better ride for rail freight

EXTENSIVE track tests of two new freight wagons developed by the Research Department of British Rail have shown that sustained speeds of up to 90 mph can be maintained on most types of track.

Main departure from established design practice is in the suspension. Leaf springs are eliminated, and friction damping replaced by viscous damping. Behaviour in the vertical direction with the combination of coil springs and hydraulic dampers has been shown to be exceptionally good, and initial fears about the reliability of the dampers, designed in conjunction with Woodhead, are now completely allayed.

This was demonstrated by disconnecting some of the dampers in each suspension group, and even in these conditions the ride was safe.

Improvement in ride, shown to be substantially better than a modern car with good suspension, means that goods can be carried with simpler securing methods, reduced wear and tear on the body of the vehicle and on the brake gear, reduced track stresses so that higher safe speeds can be maintained, and reduced power required for traction.

In addition, maintenance costs on both track and vehicles should be lower. The cost of replacing conventional leaf springs at frequent intervals in the interests of safety has been causing concern to British Rail, and the new suspensions have shown only one fault, through wrong assembly.

Improved suspension characteristics, according to a report prepared by Mr. A. R. Pocklington of British Rail, should also reduce the number of derailments, even on comparatively bad stretches of track.

Briefly, the success of the system can be estimated by the reduced wear on both the track and the wheels of the rolling stock, since this is a function of stresses caused by the suspension and load. On one of the types of vehicle, the HSFV4 (high speed ferry vehicle) it is confidently forecast that the intervals between wheel reconditioning will be more than 250,000 miles. So far, the more advanced version, the HSFV5, has completed a large mileage again indicating that the intervals will be as long, if not longer, than on the HSFV4.

It is stressed in the report that all the testing was done under normal service conditions with the vehicles running under different conditions of load and on track of varying standard.

Obviously, as is pointed out, the initial cost of these wagons will be considerably higher than for the traditional types. But on reduced maintenance costs alone, it is said that this extra expenditure will be rapidly recouped. In addition, there should be higher utilisation of the vehicles because of less frequent breakdowns, and it is obvious even at this stage that on balance the wagons would be worth adopting even if there were no improvement in ride.

But perhaps the most interesting conclusion drawn from the work is that the improved characteristics, eliminating in many cases the need for any securing system, will make it possible for BR to attract new types of traffic. An example of this is unsecured pallet loads, and it is also possible that the railways will take some of the specialised transport of delicate equipment now handled by road.

Currently research is continuing, and the design team is looking at ways of reducing the first cost of the vehicles while retaining the long-term benefits.

Results so far have been encouraging, and it is expected that vehicles will be available for testing with this simpler system in the near future.

ANDY McELROY

Fast vans transport houseplants

HIGH SPEED insulated vans for the rapid transport of houseplants in a controlled environment have been supplied to Thomas Rochford and Sons, nurserymen specialising in houseplants.

The vehicles, designed specifically for motorway travel, are based on the Bedford KDLC5 1,000 cubic feet Luton van, and have rear portal frames of rectangular-section steel tube, to which is hinged a single leaf door on the nearside and twin leaf (two thirds body width) door on the offside. With all doors open there is wide access for loading boxed pot plants on the slotted angle shelving, while only the central door need be used when the driver makes a delivery.

The bodywork (outer aluminium panelling, one inch expanded polystyrene, inner hardboard lining), is by Hunter Vehicles, of Southbury Road, Enfield, Middlesex.

Heating and ventilating equipment has been installed by KI Automotive Products, Homerton, London, E.9. air is circulated and if necessary heated, then piped to ducts along each side of the body at floor level. After passing through the load space it is extracted through a roof grille and re-circulated. An interior temperature of 60 degrees F can be maintained.

With a 12 feet 7 inch wheelbase the vans are plated for a gross weight of 8.5 tons. Top speed is 60 mph.

Generators for rail use

WEIGHT reductions of 30 per cent, compared with the company's previous units are claimed for a range of alternator generating sets announced by Stone-Platt Crawley of Gatwick Road, Crawley, Sussex, for lighting and other services in rail vehicles.

This series of units, four in all in the standard range are said to combine the advantages of the claw type of alternator and the induction type. Nominal outputs of the generators are, at 30V, 40, 80, 120 and 200A. Cut-in speed is about 350 rpm, and minimum full load speed is about 600 rpm. Light alloy castings with carefully calculated cooling fin patterns make the units lighter than equivalent generators. For example, the 120A unit weighs only 210lb and measures 19.5 by 17.75 by 13 in.

These new generators supplement the company's existing range of higher power units with cast steel housing, going up to an output of 25kW at 100/135V.

● RESEARCH

Metals with memories

UNTIL recently only one alloy was thought to have a "memory." That is, the shapes made from it and deformed below a critical temperature will return to their original form once they are heated above this temperature.

Now, research at the Philips Laboratories at Eindhoven in the Netherlands has shown that there are many alloys, other than the original nickel-titanium formula, which have the memory property. The two-man team has systematically investigated the shape memory phenomenon and has found an explanation of the processes involved.

Metal atoms seek to be as closely packed together as possible in layers arranged on top of one another so that the stack takes the minimum of space. Each atom in one plane rests in the hollow formed by three atoms of the plane below. But when the temperature is raised, the atoms vibrate more and more violently so that the close-packed structure cannot be held.

In metal alloys with a shape memory, atomic layers are built up in such a way that the triangles which determine the hollows for the atoms above them are asymmetric.

The atoms in such alloys move out of alignment through deformation below a temperature at which their arrangement would in any case have begun to change. They will reoccupy their original positions once the temperature is raised to above critical. This means that the object will go back to its original shape because the asymmetry of the triangles which determine the position of each atom in its layer leaves no alternative position for the atom, unlike what can happen in a pure substance, for instance.

The Philips research team has suggested that the property could usefully be applied in relays, but for the time being all the work it is carrying out is experimental.

Exchanger performance testing

A PROTOTYPE 300 kW test rig to investigate the performance of a "Misiflow" heat exchanger has been manufactured at International Research and Development Company and is being commissioned at the National Engineering Laboratory. This is the latest step in a two year contract placed with IRD by NEL to study the effects on forced-air-cooled heat exchanger design when a fine water mist is introduced upstream of the tube bundle.

The study, which was preceded by an IRD market survey, showed that the Misiflow heat exchanger would be able to compete with the conventional air-cooled designs, particularly on capital cost. This was primarily due to the fact that expensive finned tubes could be replaced by the plain variety when used in the new system. The complete unit was also more compact.

Two computer programmes have been written, able to produce optimum designs of Misiflow and air coolers. The calculations take into account capital and running costs, as well as the write-off period.

The prototype rig will operate in the forced and induced draught modes. It will therefore be possible to investigate a counter-flow unit in which water flows down across the tube bundle against an induced air-flow, as in a conventional evaporative cooler.

Telescope mirror is stable

FRANCE'S National Institute of Astronomy and Geophysics has received one of the world's largest telescope mirrors. It is a 144-inch, $634,000, 14-ton reflecting disc made by Owens-Illinois Inc., in Toledo.

The disc is made from "Cer-Vit" material which does not change shape when exposed to a broad range of temperatures.

At Meudon, outside Paris, the mirror will be ground and polished for approximately two years, then installed in a new observatory being planned by the Institute. The telescope will be the largest in Western Europe and is likely to be set up on a Pyrenean site, now under consideration.

● METALWORKING

Pneumatic bench press

RIVETING, marking or punching operations can be carried out on an air-operated bench press using impact loading, or the press can be adjusted to provide light squeeze pressure for component assembly work. All controls are incorporated in the unit's base.

The facility for adjusting ram pressure can be used to advantage where materials of differing hardness have to be assembled, states the maker, GDB Automation, Clarendon Road, Skew Bridge, Blackburn, Lancs. One of the first installations is being successfully used to rivet two plastic bearings to three metal components with a single stroke. Maximum ram stroke is four inches.

NC machine scanner

APPLYING numerical control to the machining of complex shapes, for example, moulds and dies, is often impossible because either the shape is impossible to define numerically, or it is economically impractical to programme.

A scanning system, which is claimed to reduce pre-production programming time for complex shapes, has been developed by Cincinnati Milacron, Biggleswade, Beds.

The scanner allows the machine operator to generate an NC tape at the machine using a part, or model, as a master. A tracer finger is hand guided over the surface of the model producing the necessary co-ordinates for processing by computer. The tapes can be used by any Cincinnati machine using Acramatic IV control. Scanning can be performed in the X-Y, X-Z, X-Y-Z, or Z only axes, at speeds up to 60 in./min. Overall system accuracy from model to tape is stated to be +0.005 in.

The system can be used as a hand guided tracer to control the machine for the reproduction of a part from a model. The scanner will also scale up or down from the original by factors of two, four and eight.

The Aramatic scanner will be shown at the European Machine Tool Show, Milan, in September.

Tests anodic films

AN instrument that tests sealed anodic coatings has been announced by Fischer Instrumentation (GB), of Arnhem Road, Newbury, Berks. Called the Anotest, it will directly measure admittance in accordance with existing international specifications and will also measure loss factor, a parameter which can be largely independent of thickness.

Used in conjunction with a thickness tester the Anotest will measure the quality of sealing of the anodic film by indicating the admittance (reciprocal of impedance) characteristic in the range three to three hundred micro-Siemens.

The loss factor indication is given on a separate scale in the range zero to two, offering a means of more rapid evaluation without constant cross reference or additional calculation.

● COMPUTERS

Wider scope for journal

A JOURNAL formerly available only in the U.S. is to be circulated in Britain and Europe with a considerably expanded editorial repertoire, Honeywell has decided.

The latter company's Computer Journal is now to cover the whole international computing scene, as befits a company claiming to be second only in stature to IBM. It is being produced in the international A4 size and the latest issue—first to go completely international—deals inter alia with communications and the way in which the minicomputer is maturing.

On this topic, Dr. Christopher Newport, chief engineer of advanced products at Framingham, says that the tiny machines must not be treated as laboratory toys but sold and supported as sophisticated computing units.

These small machines can work together to provide significant advantages over large computers used as the prime mover of a big system in many situations, he believes.

The publication is available on a £4.40 annual subscription from the company at Honeywell House, Great West Road, Brentford, Middx.

High-speed graphic display

LINEAR writing speed of 10 in per microsec and a diagonal repositioning time of less than 1 microsec are quoted for a new 19-in graphic display unit announced by Hewlett-Packard of 224, Bath Road, Slough, Bucks.

These high speeds, attributed largely to the new electrostatic deflection system used, match the speed of computer-controlled graphic generation. It is in fact designed for use in computer terminals or in other applications where immediate display of information is required.

Each unit comes complete with solid-state deflection and blanking amplifiers and power supplies. A 1V signal applied to the X input gives a deflection of 15 in horizontally, or 11 in vertically when applied to the Y input. Applied to the Z input the same signal will take the beam from full on to full off in less than 14 nanosec.

Frequency response on both the X and Y axes is d.c. to 5MHz for a 5-inch deflection. Character strokes can be written in less than 100 nanosec each.

According to the manufacturer the electrostatic deflection system, as well as improving performance, makes the unit lighter and cooler running than existing systems. Overall weight is only 50lb, making it particularly suitable for mobile displays, while power consumption is a mere 100W.

Normally, the unit is supplied in an open framework for building into a system, but it can also be supplied with covers and pedestal as a free-standing unit.

Logica goes for a high growth rate

A BRIGHT spot in an otherwise generally gloomy sky is the second annual review of Logica, computer and management science consultants who yesterday reported a 130 per cent growth to June 30 compared with the previous operation.

Philip Hughes, the software company's managing director, announced a professional revenue of £379,000 and a continuing indicated growth since at the start of the current fiscal year—presumably in July and the first month of August—the turnover rate was of the order of £½m. a year. At the same time, professional staff has doubled to 90, all representing men with extremely high reputations in the software world.

An extremely interesting disclosure yesterday was that Logica has been carrying out its own international survey of software operations in the U.S., France and Britain and noted during the task of gathering information that it was far more difficult to cull facts from companies in the U.K. than anywhere else.

An immediate conclusion was that in terms of staff involved U.K. manpower was over one-third that indicated for the U.S. whose data processing industry is at least ten times as powerful as that of Britain. Manpower was considerably higher than that shown for France. But the per capita revenue was more than double for that country at £7,700 against £4,350 in the U.K.

An interesting sidelight is the amount spent by central Government with private groups. In the U.S. it amounts to about £49m. a year against £1.7m. in France but only £1.2m. in Britain. All things being equal, this means that even now, the U.S. Government is spending eight times as much with the private sector as its U.K. counterpart.

● FINISHING

Automatic spraying and stoving

FLAT components up to 5 feet wide or small components up to 6 inches high can be sprayed with paint or adhesive and then stoved automatically with equipment announced by Berridge Engineering, Queen's Road East, Beeston, Notts.

However, the total range of work that can be done by the unit includes spraying hot wax on to aluminium plates before pressing, lead paint on to mirror backs, and latex on to carpet backings, as well as normal painting.

Six units make up the installation: a horizontal flight bar conveyor; water wash spray chamber with horizontal gun traverse and fume extractor; a flash-off tunnel; stoving oven; forced cooling section and a control console. The oven can be fuelled by gas, oil, steam or electricity, and can operate either as a hot-air unit or as an infra-red unit.

Overall dimensions of the installation are 24 feet by 6 feet wide by 8 feet high, and it can be operated by two unskilled workers.

SPORT: EUROPEAN GAMES . . . YACHTING

Carter's bronze waves the flag for Britain

BY CLEMENT FREUD

HELSINKI, August 12.

BOB SLY is a 31-year-old mortgage insurance consultant from Twickenham . . . and for three days now he has been sitting a few yards to my right caressing what I thought might be an umbrella, possibly a mammoth salami, or, as an outside guess, a sword such as Japanese warriors fall upon in order to join their forefathers.

At 7.55 this evening the whole Olympic Stadium was privileged to see what it was that Mr. Sly had kept neatly rolled in brown paper—namely a 6 foot by 4 foot Union Jack such as I carried when serving my time in the Boy Scouts. (For the record I was a peewit.)

U.K. record

With some embarrassment, he explained that the flag was really intended to signal British gold medals, but Andy Carter's bronze in a new British record time, especially with the prospects of gold lading at an alarming rate, was reason enough—wasn't it?

He waved, we cheered and, indeed, Carter's run in the 800 metres final has been a most uplifting performance.

Leading the field from the second bend to the 600-metre mark, the Russian Arzhanof and the East German Fromm surged past him in the back straight, opened a commanding lead which Carter closed most valiantly to lose by a mere six-tenths of a second, and miss the silver by one fifth.

Another 10 yards and our man would have overhauled the East German, or died in the attempt —I think perhaps the latter. Carter's time was 1 min. 46.2 sec. in conditions some way short of perfect after a day of drizzle and high humidity.

Fifteen minute later and damn me if Mr. Sly wasn't waving his flag once more; this time his reasons were almost equally good. We did not actually pick up a gold, but we got a silver and a bronze in the same event. The women's 800 metres, won convincingly by Vera Nicolic of Yugoslavia in two minutes dead —the second fastest time ever recorded. In this race deep in the third band there was a pile-up: Falk, the second favourite, cutting into the Hofmeister, the third favourite, and with both women falling to the ground our pair of Pat Lowe and Rosemary Stirling saw their chance, fought fiercely and came home second and third. Miss Lowe's time was 2 mins. 1.7 secs., only three-tenths of a second outside Lillian Board's Athens record.

For the rest, we had a day which was steadily interesting without really setting people alight.

We saw Franz Biedermann shatter the existing national Liechtenstein pole vault record; witnessed Miss Ehrhard of East Germany beat the games record for the 100-metre hurdles in 13.1 seconds, and moments later, with a mammoth throw of the discuss, Faina Melnik of the Soviet Union, in her sixth and last attempt, not only beat Liesel Westermann's best throw but took from her the 1969 world record of 63.96 metres by a comprehensive 26 centimetres.

The crowd in the stadium cheered almost as loudly as they do when a Finnish athlete clears the high jump bar at 5 feet 9 inches.

We also had a rare moment of drama, this time one that appealed to all men of good will *irrespective of nationality or politics*: the competing athletes have their own enclosure from which they watch the games; it is uncovered, hard by the start of the 100 metre races.

A very tall, strong athlete, possibly dissatisfied with his vantage point, vaulted across the gangway into the covered £5 seat enclosure and was chased by two whistling policemen. Within seconds the stadium was in an uproar. The athlete jumped like a stag; the police plodded diligently behind him and the cheers and counter cheers were equivalent to a Finn coming second in a prestigious semi-final—both impressive and long-lasting as the athlete, encouraged by this attention, moved on to the even more sacrosanct enclosure that seats *officials, politicians and* folk heroes.

Street ahead

On the subject of folk heroes, Juha Vaatainen, victor of Tuesday's epic 10,000-metre event, won his heat of the 5,00 metres in 13 mins 47 secs—a street ahead of the runner-up and only one second outside his personal best. Had he spent the final 100 metres looking forward instead of running with his head turned looking for danger, his time would have been considerably improved. As it is he is much fancied to bring the next mammoth cheer to these proceedings, and many of us cannot wait to hear the "On Ilkley Moor Baht-at-like" Finnish anthem once more.

Failing God Save the Queen it is easily the most acceptable anthem of the 29 countries here represented.

Heath will receive the Cup

BY ALEC BEILBY

PLYMOUTH, August 12.

THE ORGANISERS of the Admiral's Cup series and the Fastnet race this morning provisionally confirmed, officially, that Britain had won the series by 43 points from the Americans, and that the Australian yacht Ragamuffin had taken first place overall in the Fastnet race.

From the grey looks on the faces of some of the crews this morning it was obvious that the unofficial calculations, made as the Prime Minister finished in Morning Cloud yesterday evening, had been good enough reason for victory celebrations last night.

Flying visit

Meanwhile, the City of Plymouth awaits the return of Mr. Heath to-morrow. He is making a flying visit to attend the Royal Ocean Racing Club reception and prizegiving, where, in front of most of the 2,500 yachtsmen who have been in most of the racing even if not part of an Admiral's Cup team, he will receive the coveted Admiral's Cup for Britain from Mrs. Owen Aisher, wife of the Admiral of the RORC. It will be a fitting end and climax to what will be remembered as the best Cowes Week, the best Admiral's Cup series, and the best Fastnet race that many of those who have sailed this circuit this year and in earlier years can remember.

Full confirmation of the results cannot be given until all the small wrinkles that follow an ocean race have been ironed out, and one of these involves the South African Admiral's Cup team yacht Mercury which stood by the Australian yacht Koomooloo.

Koomooloo wallowed without use of her rudder to windward of the Scillies with a gale forecast. Having made a distress call her crew fire a red distress flare to guide a merchant ship, the Pacific Trader, to her. Mercury's crew, believing the flare to be a sign of imminent disaster, rather than an indication of Koomooloo's position, stood by her for eight hours until the Dutch salvage tug Utrecht took her in tow. Dutch salvage tugs do not operate for love . . . just money, so it was a tow which could cost the owner of Koomooloo, Norman Rydge, or his insurers a considerable sum.

Mercury's claim for a time allowance will be heard to-morrow, but whether it is granted or not the leading points in the overall Admiral's Cup result will not be affected.

The knife-edge competition that lasted the duration of Cowes Week and the Fastnet race between Alan Bond's Australian yacht Apollo and Ted Turner's American Eagle did not slow once the crews came ashore on Tuesday evening. Both, in their early 30s and millionaires in most currencies, except, perhaps, roubles, are among the most popular, generous and, occasionally, extrovert yachtsmen that have sailed to Britain to race at Cowes Week and in the Fastnet this year.

The Apollo crew had a substantial side *bet with the Bird* that they would beat her round the Fastnet course, boat for boat. Apollo lost, but both yachts *beat* the course record established by French millionaire Baron Edmond de Rothschild.

Rock and roll

While the tailenders of the 230 yachts in the race were still heading for *Plymouth* in rain squalls and fresh winds, the storm of celebrations and counter-celebrations that rocked Plymouth as the two yachts met ashore must be turning the original Plymouth Brethren in their graves. At the last count, Apollo was just leading American Eagle by several cases of champagne. They have already negotiated the terms of the bet for the race from Sydney to Hobart, Tasmania, next winter.

It is the rich that the pleasure and the poor who seem to catch the storms in ocean racing, for although 150 yachts, moored together in the docks, are attracting sightseers from all over the West of England these are the larger and more expensive of those that took part. The smaller and least expensive, in classes IV and V which can take as long as five or six days to sail the 650 miles, are having to contend with a near gale which those already here have avoided.

Ford lorry deliveries at peak in June

FORD delivered a record number of commercial vehicles to the home market in June. Combined Transit and "D" series lorries reached 6,810 compared with a previous best of 6,362 in November last year. In June, 1970, the figure was 6,243.

The Transit range of medium commercials showed the biggest increase, with 4,435 delivered compared with 3,524 in June last year—an increase of 26 per cent.

"D" series truck deliveries totalled 2,375 compared with 2,106 in the best Ford commercial vehicle month last year.

Still some CBI anxiety on Six regional policy

By Our Own Correspondent

CARDIFF, August 12.

MOST Welsh companies believe that the greater growth in the economy which is likely to occur as a result of Britain joining the Common Market is bound to have a beneficial effect on Wales.

But the Confederation of British Industry's regional council for Wales, which held a special meeting here to-day to discuss the consequences of entry, still feels some anxiety over regional policy within the European Community.

Accountants to review problems

By Michael Blanden

THE Institute of Chartered Accountants in England and Wales, governing body of Britain's biggest group of chartered accountants, is to consider the difficult problems arising out of the relationships between auditors, directors of the companies they work for, and the latter's shareholders.

The complex issues involved are to come up for consideration by the Institute's experts probably after the end of this month. This follows a number of incidents recently where the question of auditors' responsibility has been raised.

The latest came on Wednesday when Spain Brothers and Co., auditors to Marryat Group, wrote to shareholders about the Board's intention to appoint new auditors capable of providing "a wider range of financial consultancy services."

The related problems of auditors' independence and their *responsibility* to shareholders of public companies may be one aspect of company legislation which will come up for consideration when the next company law reform is undertaken.

Shell-Mex and BP terminal plan rejected

By Justin Long

SHELL-MEX AND BP has been refused permission to construct an oil distribution terminal at Bedfont in the *London Borough of* Hounslow.

The Ministry of the Environment said yesterday that the oil company's *proposal* would *mean* the use of "good agricultural land in an important part of the Green Belt."

The *terminal* was intended to be linked with Shell-Mex's main distribution terminal at Buncefield, near Hemel Hempstead, by a 3½-mile extension to the *pipeline* at present serving London Airport (Heathrow).

Mayor Lindsay & the Democrats

John Graham, reporting from Washington, Thursday, describes the impact of John Lindsay's defection to the Democrats, and its likely influence on next year's presidential campaign

JOHN LINDSAY'S entry to the Democratic Party is certain to influence next year's presidential *campaign*, whether or not he decides to have a go himself. As a born member of the Eastern Establishment, and the senior Democratic office-holder in New York—and thereby the largest dispenser of patronage—he will inevitably exercise control over the disorganised rabble which passes for the State Democratic Party.

This alone would *ensure* that he has some say on whoever gets the party presidential nomination next year. On top of this, his voice will be heard loud and clear in the debate on the economy—likely to be the No. 1 issue next year—since he is the self-appointed spokesman for the cities, which have suffered dreadfully from the inflation of the past five years.

Given this, given his experience and ability and his evident willingness to go tooth and nail after the Nixon Administration, he will obviously not be just another face in the crowd. The official candidates will have to *talk* to him, he could accept offers of the Vice-Presidency or of a Cabinet job, and he might even start a campaign of his own.

Options

He did not rule this out at his Press conference on Wednesday. He would almost certainly stay out of the early Democratic primaries—which seem destined to have almost as many candidates as voters, anyhow—but a late run in the California primary, for example, could leapfrog him up to the front. He stands very high in the polls in California, and California matters. He could even ignore the primary circus and make a bid at the convention, especially if he controls the New York delegation.

It is not at all clear that any of this will be a good thing for the Democratic Party. Naturally the Party's leaders have welcomed this eminent defector, but their smiles have been in some cases so twisted as to be almost vertical. After all, the last thing the Party needs is another candidate, and some of the official candidates, as well as some of the unofficial ones, have expressed wariness.

Indeed, the Democratic Party is rent to-day by a great schism. It is not so much a party as a collection of fiefdoms, and any attempt to describe it in traditional party terms as a more or less homogeneous political force is hopeless, and from this point of view it is in the starkest contrast to Mr. Nixon's Republican machine.

But first a list of the more important, *or* at any rate more ambitious, barons: officially, the head of the party is Hubert Humphrey, who hasn't said he is going to run next year, but hasn't said he isn't. Hubert Humphrey does not give up easily, and many who know him feel he will not be able to resist having one more shot at Richard Nixon.

A man who lost by only a fraction of ½ per cent. when almost everything was against him is bound to want to try again. And yet, Hubert Humphrey has the feel of a finished man—though Nixon's revival has made everyone *cautious* about making such judgments—and he has been damaged further, according to the Political pros, by the publication *of the Pentagon Papers* on Vietnam.

Again officially, the only declared candidates for presidential office in the Democratic Party are Senator George McGovern of South Dakota and Senator Fred Harris of Oklahoma. McGovern threw his hat in the ring early on for the very good reason that he was very far behind. He is an anti-Vietnam "liberal" of the Kennedy-McCarthy 1968 vintage. Fred Harris got into the race for another very good reason, namely, that unless he becomes President he doesn't become anything.

He has so neglected his home territory that professional opinion does not believe he can even win his party's primary for the Senate seat *next year. It is* something of a novelty for people to try for the presidency as the only office they can hope for—if you believe John Lindsay couldn't get himself re-elected Mayor of New York, he is another instance.

There is a theory, however, that Harris is only operating *for* Senator Muskie of Maine, the unannounced candidate who is far ahead of the field. Harris would take votes away from McGovern in the early primaries, thus making Muskie look more like a majority candidate. Be that as it may, Muskie is clearly the leader at present, as he has been for over a year.

His greatest danger is that the Democratic vote in the primaries will be split so many ways that he will not be able to garner enough momentum from what could be meagre percentage victories. In addition to McGovern and Harris and various local candidates, there will also be a little-known candidate called Senator Bayh.

Senator Bayh is another anti-Vietnam "liberal," whose face, ideas, policies, character and persona are as unfamiliar to most of America as his name. Senator Gene McCarthy once said of him that he would always be able to find a place to hide . . . in a field of stubble. Nevertheless, he has been organising a presidential *campaign* for many months.

Kennedy

One would have thought that so many candidates would be enough. But not so. Senator Edward Kennedy deserves a mention. The White House fears his entry to the race, many democratic politicians believe he will try, and others hope that for his own sake, no less than for the party's, he will not. It is quite *impossible* to gauge the effect of Chappaquidick, though at this week's AFL-CIO conference many labour leaders said they thought the accident had damaged him in the eyes of the rank and file. He has the best political organisation of anyone, and an entirely secure home *base*. He also has enough money, and he doesn't have to spend either money or time in making his face known to the public, unlike others *mentioned* earlier.

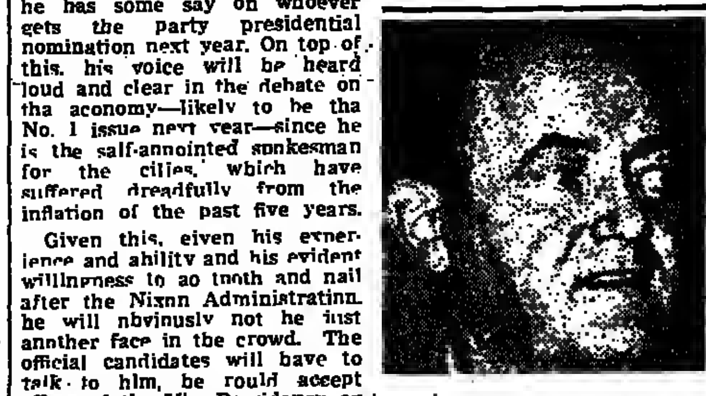
Any mention of a Kennedy recalls immediately Senator McCarthy, and here one has to abandon the principles of political science and rely on sheer punch, for Gene McCarthy is unpredictable. Will he form a fourth party (George Wallace's being the third)? Will he run as a Democrat? Can he still draw the support he drew in 1968? It is impossible to say, just as it was impossible three years ago.

Despite the chaotic state of affairs so far related, there is a thread. Humphrey, Kennedy, McGovern, McCarthy, Bayh, Harris, Muskie . . . they are all more or less on the Left of the Democratic Party. Muskie may be closest to the middle, but the shopper has no great choice: they are all jars from the same shelf.

From a different shelf altogether comes Senator "Scoop" Jackson of Washington State. Jackson is a hard-liner on defence, and in general a conservative member of the party. In any Democratic primary composed of everyone named to date, he would be the only claimant to a large constituency.

This has Muskie and company concerned, for Senator Jackson is making no bones about the dangers inherent in the Democratic Party of to-day. He describes it as splitting into fringe groups of "the left," unrepresentative of the ordinary American and unappealing to the traditional Democrat. A thoroughly damaging fight could develop if Jackson decides to go seriously for the nomination, since he is a man of the past, a man of the 1950s. The convention could be as badly split as it was in 1968.

There is, of course, some good in all this. The American people do at least have a choice between two major political parties which are behaving in quite different ways. As John Lindsay described the Republican Party to which he belonged all his life till this week, "It has finally become a closed institution. It has stifled dissent and discouraged free voters, and it has rejected internal reform so that grassroots Republicans cannot challenge their present leadership."



A clutch of Democrats—Left: Hubert Humphey, who may decide to try for the presidency again. Centre: Mayor Lindsay, a self-appointed spokesman for the cities. Right: Edward Kennedy—impossible to gauge the effect of Chappaquidick.

Purged

The Nixon Administration, which claims to be "centrist," has persecuted the liberal wing of the party. Some members, such as former Senator Goodell of New York, have actually been purged. Nelson Rockefeller, once the head of the liberal wing, has moved more and more to the conservative Right. John Lindsay was actually unable to get his party's nomination for Mayor of New York last year.

The potential harm in this polarisation was eloquently set out by such men as David Rockefellar and John Hay Whitney in their last-minute and unsuccessful plea to Mr. Lindsay not to switch. "For any progressive to leave the party," they warned "is not merely to admit defeat, not merely to resign themselves to a monolithic conservative party, but actually to contribute directly to such an adverse development."

In vain, because apparently that is how President Nixon and his advisers want things to be. Mr. Nixon masterminded an astonishing job of rebuilding the broken Republican Party into a functioning machine — dull certainly, but solid and in working order. He runs the machine and in 1968 it served him well. If it breaks down, the normal numerical superiority of the Democrats is likely to put him out of business. There is indeed something tribal about it—dissent is taboo.

No-one could make such a complaint about to-day's Democratic Party. Like a fading but game courtesan, it is hopelessly in debt and prepared to embrace all comers. From its land-owning southern barons to its northern evangelists, it is galloping off in all directions. John Lindsay's enrolment is but one more episode in a protean drama. The various groups will no doubt continue to splinter, divide and reform over the coming months. They have one year in which to form themselves into something that can properly be called a political party.

Power cuts 'less likely this winter than year ago'

BY DAVID WALKER

THE likelihood of electrical power blackouts or voltage reductions in England and Wales this winter is now less than a year ago, the Central Electricity Generating Board stated yesterday.

This is due mainly to the steadily improving performance by the Board's 500 MW turbo-generators. During the past three winters, various defects appeared in a number of these, and severe problems resulted in some cases.

"The performance of these units continues to improve, and that obviously improves the prospects of meeting power demands this winter under average cold spell conditions," the CEGB said.

Output capacity

So far, 14 of the Board's 500 MW units have been fully commissioned after operating non-stop for 72 hours under full load. Another 17 have been partly commissioned at interim ratios, while nine more have been synchronised—produced electricity but not yet given ratings. An additional seven remain to *raise* power.

All 47 have been or are being installed in 13 new power stations, of which eight have *capacities* of 2,000 MW each.

In all, the Board's output capacity now exceeds 50,000 MW spread over 186 power stations, compared with just over 22,000 MW in 230 power stations 10 years ago.

The backlog of plant building is being caught up with rapidly, according to the CEGB. In 1970, 4,500 MW of plant was commissioned, and a similar target has been set for this year.

The total capacity available theoretically comfortably exceeds the peak demand likely to be reached during the winter, but unavoidable maintenance work and other factors can severely limit the actual output at any one time.

Last winter, peak unrestricted demand amounted to 41,700 MW, of which 38,600 MW were met. Optimum demand this winter is expected to be between 5 per cent. and 6 per cent. more.

Silver articles hallmarked set record

SILVER articles hallmarked at the London Assay Office in July rose over 100 per cent. in weight compared with July, 1970.

The total was 122,440 ozs (60,903 ozs) from 102,930 articles (59,155).

The respective figures for gold were 49,774 ozs (46,886 ozs) and 297,044 articles (298,281).

Commenting on the silver figures, an assay spokesman said the increase is believed to be the largest recorded and results entirely from a single order—the hallmarking of over 30,000 silver medallions minted by the Surrey concern, Ernest Pobjoy.

Warning against emulation of electricity ITB grants scheme

BY ELSBETH GANGUIN

THE SECOND industrial training board to publish its annual report —Electricity Supply—yesterday issued a warning to its fellow boards and their industries against emulating too readily its own successful practice of a tiny levy and no general grants.

In keeping with the new official trend, the ITBs have in the past year made valiant attempts to move away from the levy and grant system as their raison d'être. The Petroleum ITB's report, published on Wednesday, announced the introduction of a training audit—at least for the deserving—instead. Other Boards are acting along similar lines.

Special case

The Electricity Supply ITB has, from the outset, been something of a special case: there were only 17 individual employers, all with identical functions and of broadly similar outlook and policy, and with a long tradition of training, which since 1948 had been developed through joint bodies.

The Board never used *a general* grants system as a means of encouraging the development of training. In consequence, its levy demand is as low as 0.05 per cent. of the industry's payroll, raising £139,198. Instead, the electricity Boards agreed to allow inspection of their training and act upon subsequent recommendations by the ITB.

"The outcome was a system which placed the Board in a more directly influential situation but with greater consequential responsibilities than would have been the case had levy and grant been the main incentive.

"It seems important to stress this point since there has been a tendency recently for bodies outside the electricity supply industry to favour the adoption of a similar system by other training Boards without perhaps appreciating the commitments which go with it."

The Board has started to review its existing recommendations. An earlier recommendation on the training of engineers is being gradually superseded by a new series, and craft studies are also under review. A series of surveys of management training and development in individual electricity Boards is under way.

Electricity Supply Industry Training Board. Report for the year ended March 31, 1971. House of Commons Paper 485. SO; 25p.

TAYSIDE WORK PROBLEMS

By Our Own Correspondent

DUNDEE, August 12.

Tayside will have to tighten its belt if the Government continues to insist that the area should depend on the economy of the central belt of Scotland, Mr. Charles W. Simms, director of Dundee Chamber of Commerce, said to-day.

The employment position was serious, with 7.8 per cent. out of work in Dundee and 11.4 per cent. in Arbroath and Carnoustie.

£350,000 ESTATE DEVELOPMENT

Property Security Investment Trust is starting work on a £350,000 modernisation of Hulme Hall Lane trading estate, Manchester.

The estate is being developed by A. T. Chown and Co. to offer four major industrial units with a total area of 84,000 square feet.

PETERBOROUGH INDUSTRIAL AREA PLAN APPROVED

Proposals for the development of Greater Peterborough's largest employment area, the Eastern Industrial Area, have been approved by the Department of the Environment, a Peterborough Development Corporation spokesman said yesterday.

The proposals, which cover 460 acres, were submitted to the Department by the Corporation in May. Some 10,000 people already work in the industrial area, and up to 20,000 will work there over the next 15 years.

JESSEL BRITANNIA ISSUES GUIDE

A new guide to the Jessel Britannia Unit Trust Group has been produced for professional financial advisers. It is available, free, from the Jessel Britannia Group, 135, Fenchurch Street, London, EC3M 6BX.

New Town contests for architects

BY H. A. N. BROCKMAN, ARCHITECTURE CORRESPONDENT

AMONG a number of architectural competitions now running in this country are two of unusual interest. The promoters are the new towns of Bracknell and Redditch, who are inviting designs for specific private housing sites from registered architects working in association with registered house builders and with developers.

The two corporations see an opportunity for both developers and architects jointly to contribute to the marketability of relatively low-cost good private housing.

The sites are to be leased to the winning developers at a price stated in the conditions and the winning developer-architect team will be expected to get the scheme built and to offer the houses for sale on the open market.

At Bracknell, the site occupies just over seven acres which allows for up to 90 houses. The assessors have been appointed: Mr. C. D. Pilcher, chairman of the corporation; Mr. R. A. B[illegible] chief architect; Mr. Hugh Pi[illegible] National Housebuilders Registration Council; Mr. Geoffrey D[illegible] and Mr. John Malyan, [illegible] architects. A prize of £1,500 will be awarded to the successful architect and a further £1,500 will be available for the architects of designs selected for special mention.

The site at Redditch is nearly 10 acres, allowing for 130 houses, and the conditions are similar to Bracknell's. Assessors are: Joseph Hunt, a corporation member; Mr. Brian Bunch, chief architect; Mr. Harold B[illegible] National Housebuilders' Registration Council; Mr. Tho[illegible] Manning and Mr. Ri[illegible] Towning Hill, architects. The prizes are the same as at Bracknell.

Substantial increases in Glasgow rates

BY OUR OWN CORRESPONDENT

GLASGOW, August 12.

AGAINST the background of an all-time high local unemployment rate, the threat of shipyard closures and rapid inflation, Glasgow Corporation to-day approved a municipal budget which shows an average increase of 19 per cent. over that *of last year*.

Revaluation has changed the proportion which individual ratepayers have to bear—the rise or fall being determined on the new values being placed above or below an increase of 80 per cent. on the old valuations.

Domestic ratepayers have to pay 98p in the £, compared with an equivalent of 83p; commercial and business premises—which went up by revaluation 72.59 per cent.—90p to 106½p, while industrial ratepayers who are 50 per cent. derated will have to meet 36 per cent. more.

Council house tenants bear the heaviest increase—of 41 per cent., compared with an average of 7 per cent. in non-municipal housing. Of the total gross budget of £136.57m., an increase of £13.92m., ratepayers meet £37m., an increase of almost £5m.

Main theme

Treasurer William Gray rejected a suggestion to take part of £2m. from the rates reserve fund, but added: "If the present raging inflation continues I reserve the right, before the end of the current financial year, to transfer from the rating reserve a sum to avoid a deficit caused by inflation."

The main theme running through the estimates, he said, was of increases in wages and salaries and rises in loan charges. The present average interest rate was 7.57 per cent., against 6.[illegible] per cent. two years ago.

The public water rate was [illegible] per cent. to £705,000, making the domestic rate 5p in place of [illegible] while business and commercial premises paid only half that.

The Government rate support grant was up almost £4m. to an estimated £34m. and the "resources element" up [illegible] to £8m.

Lunn-Poly take-over by Sunair

Sunair, the Cunard group package tours subsidiary, has formally taken over the Lunn-Poly holiday operation. Although the Board has yet to be decided, Mr. H. M. Stewart, Mr. G. P. [illegible] and Mr. J. Mansfield remain on the Lunn-Poly Board.

Mr. Harry Goodman, Sunair managing director, and his deputy, Mr. Jo Hyman, have assumed the direction and management of Lunn-Poly from the operator's Marble Arch office. Day-to-day operations are being continued by the Lunn-Poly executives.

GREEN BELT PLAN REJECTED

Planning permission for residential development on about [illegible] acres of green belt land at [illegible] in the London Borough of Cr[illegible] has been refused. Developers wanted to build 736 houses, flats and six shops on the [illegible]

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Soft Drinks

Financial Times Survey

Wide scope for new ideas

By ANTONY THORNCROFT

The soft drinks industry is a jungle of definitions, small companies aerving local tastes, and major manufacturers locked in fierce competition. Stepping lightly through the mass of conflicting statistics the value of the total market can be estimated at almost £200m. a year, with a cash growth rate of about 4 per cent. a year. In volume terms, however, coosumption ia much healthier. The public drank around 11 gallons of soft drinks a head last year as against only 7.9 gallons in 1963. A rash of price cutting, especially among the squashes, accounts for the disparity between volume and value.

It is now necessary to divide be industry in half. On one ide stand the concentrates, which used to be mainly quashes. They have now been vertaken by the wbole fruit oncentrates (which include kins and all), and the overall olume is around 70m. gallons. But in individual drink terms his figure should be multiplied ve times, giving a volume of 50m. gallons compared with he 264m. gallons of non-concenrates. In the non-concentrates arbonated account for 90 per ent. of sales, and these can be urther split into flavours ncluding all the colas) and ixer drinks. It is all a very nfusing picture.

And it changes all the time. few years agu the concenrates entered a very bad patch. quashes became a prey to tailers' "own label" brands, nd these have now captured alf of the market. Squasbes in fect have become a commodity arket, advertising budgets are uch reduced, and competition by price rather than by brand iage. The cheapest label on le any particular week in the ops is often hought, and Mr. olf Darby, of Beechams, has come to the conclusion that "in advertising terms this particular market is beyond redemptinn. We tried it with advertising for Quosh and failed. It is now just a case of getting down there and wheeling and dealing."

In fact Beechams has had the extraordinary experience of advertising Quosh in 1969 and not appreciahly increasing sales and then withdrawing advertising support but slightly reducing the price, and watching sales climb. Quosh was priced below Tree Top hut ahead of most other hrands. Its auccess has persuaded Unilever to price promote Tree Top, and also cut back on advertising. So now no major company is heavily advertising squasbes, and Darby at least sees the fall in demand this year as the cumulative result of the few years without brand advertising, and the fact tbat "own label" squasbes were often of inferior quality.

Brand name

At the same time the carbonated drinks have been increasingly beavily advertised. Coca Cola, for example, has raised its budget for tbis year to £500,000 from £375,000 in 1970. So that wbile, overall, squashes still control around 57 per cenl. of the soft drinks market in vulume terms lo nonconcentrates 43 per cent., the profit situation is very different. But the profit to be made from carbonates requires a skilled markeling approach. Coca Cola, for example, is not only up agalnst Pepsi Cola but also Schweppes which acts as the hottler for Pepsi in the U.K. Ils own franchisers are Watneys in the soulh, Whltbread in the west, and Beecbams elsewbere, and there is a constant battle by Coca Cola to get in the llcensed outlets of a brewer like Bass Charrington. Only a strong brand name can get through those red doors, and Coca Cola is necesarily a very interested but rather helpless spectator in the brewery takeover battles.

It operates, bowever, from a position of growing strength. Cola overtook orange as the second most popular flavour some years ago now and in time seems certain to overbaul lemonade. Then the battle wlll intensify between the four hundred or so companies wbich make a cola. In the past a third cola to seriously challenge Coca Cola and Pepsi bas oever managed to materialise, but now Strike from tbe Barr Group is extending down from its native Scotland to the rest of the country, and it is too soon to write off Royal Crown Cola, the number-three brand in the U.S. which is marketed bere by the revitalised Tizer distribution network. The greatest cballenge, bowever, will probably come from the own label colas. Cola is sensitive to price and although the brand leaders favour non-returnable bottles and cans these are more expensive. It is a question of knowing how much extra the consumer will pay for convenience, and overall in carbonated drinks the old standby returnable bottle still dominates the market. In 1969 the figures were—returnables 201m. gallons, nonreturnables 19m. and cans 31m.

Straight mixers

The other side of the carbonated market is mixers, although the dominant force here, Schweppes, is attempting in its advertising to persuade consumers to drink mixers straigbt so that any attempt to divide up the market still further is lnvidious. The attraction to Schweppes of straight mixers is that they spread sales out from licensed premises to the grocery trade wbere most of the marketing effort bas been concentrated in recent years. Schweppes bas already bad to withstand a supermarket and off-licence challenge from Hunts, a Beecham acquisitioo, but bere again the greatest threat seems to be nwn label. Hence the heavy branding. It bas paid off for Schweppes in so far as you can often buy its mixers eveo in Bass Charrington puhs, though that brewery markets the number two mixer, Canada Dry, in the U.K.

Cadhury-Schweppes can offer its customers a packaged deal, ranging from its mixers, through to Pepsi Cola, and its squasbes (Sunfresh and Suncrusb) and Kia Ora. There is only ooe major soft-drink product missing—a large bottle of pop. The lemonade trade is still very important but it is bere that the regional producers, catering for local palates, come into their own. The number of soft-drink mannfacturers may have thinned down from a couple of thousand 30 years ago to nearer 400 now but In the north especially they are thick oo the ground: Shaws of Huddersfield, for example, whicb gives Lancasbire lts Sarsaparilla and Yorkshire its dandelion and burdock. Nevertheless even here the big boys are capturing the market. Beechams now has Corona, and R. Whlte belongs to the Whitbread gronp. Still independent among the pop producers is Tizer which oniy a few decades ago outsold the lot of them.

Slnce Aprll Tizer has been in the tbroes of a marketing facelift, wlth new management and new financial backers, lncluding Slater Walker. Advertising has been iocreased, with the use for tbe first time of televisioo: there has been a oew corporate identity, devised by Conran and covering everything from the deliveryman's overalls to the product pack; and market researcb bas been commissioned to discover the exact strengths and weaknasses of Tizer. Its strengths are the name and the fact that it servea over 80,000 ontlets that pay in cash; its weaknesses are that it has not penetrated the multiples or the puhs, and has had an uoeconomic production aod marketing network. Tizer may never recover its former dominance but it may prove an example of a soft drink which waxed and waned then waxed again. Or it mlght prove a good buy for another of the major manufacturers in the field.

Marketing approach

One thing is certain—there will be plenty of activity in soft drinks. The Cadbury side of Cadbury-Schweppes, for example, bas been experimenting with a fruit flavoured milk drink. Soft drinks is still a growlng market and one lo which there is a tremendous scope for new ideas and new methods. Squashes seems to be a declining market—in profit terms: but perbaps a new marketing approach migbt cbange that. On the non-concentrates side the market remalos wlde opeo. One thing is certain—there is an abundance of rich aod professional marketing companies prepared to spend heavily to defend their stake ln thls fascinating industry.

Changing pattern of distribution

By KELSEY van MUSSCHENBROEK

n the grocery field markel- , shuuld reflect changing terns of distribution. If this lears to be no more than a teoent of the ubvious. the oblems which arise nut of usions by manufacturers to p in step with High Street velopments are nonetheless l. What has hsppened in soft drinks husiness (and still hoppening) is an object on in the dilemmas which e on industry which has mpted to accelerate its wth hy creating products or-made for the grocery de.

n discussing the role of rihution in soft drinks it is essary at the outset to inguish between two basiy different types of product: ashes aud cordials on the hand. and carbonated aks on the other. At this nent in time developments the latter market appear to he more arresting. but their implications can only be y understood in the light what has already happened squashes and cordials.

Returnable bottle

With the advent of selfice and subsequent away growth of the superket multiples, fruit ishes, cordials and concenes quickly found space on ermarket shelves. Not only they a product which itional grocers already ked, but there had never a tradition of selling them eturnable bottles as was the with carbonated drinks. A rnable bottle is something a supermarket is simply not sued to cope with, as it ines in-store handling by the staff which self-service is used to be able to do with-

ce on the supermarket , and helped initially by nal branding, modern marg and merchandising teches, sales of squashes grew steadily throughout the 1960s—but for a small hiccup in 1962 when purchase tax was first introduced on all soft drinks. In volume terms sales of squashes through grocery outlets bave increased by 82 per cent. in the last ten years. At the same time, however, the value of these sales has risen by only 74 per cent.

Grocery trade

The discrepancy between these two figures is largely the result nf a changing distribution structure wbich has concentrated enough power in the bands of a few dominant retail chains to enable them to influence the pricing of squashes and curdials to the point wbere to-day they are regarded as a near commodity whose consumptinn is said rapidly to be nearing saturation point.

In 1961 supermarket multiples accnunted for some 27 per cent. of the entire grocery trade. A decnde later that share had risen tn 42 per cent., wlth a balf-dozen or so major chains controlling nearly a quarter of the trade alone. As these chains have grown in strength they have understandably wished to present a coherent marketing front to the public; and one of the means of doing this has been to increase the number of grocery lines which sell under their own house label. Squashes and cordials were early candidates for own-label operations.

Not only were they substantial contributors to total turnnver, but any reluctance on the part of major brand manufacturers tn pack products under distributors' own labels was offset by the willingness of many smaller companies to sell such products tn the chains. The squash business is not exactly a high technnlogy area, so that entry to the field was comparatively easy.

The use of the cheaper cyclamate sweeteners accelerated this trend, and own-label penetration was soon followed by fairly aggressive price cutting. When cyclamate sweeteners were banned a couple of years ago it was expected that own-label growth would be halted, but this does not appear to bave bappened.

At the time of the ban own-label squashes were estimated to bold some 51 per cent. of the grocery squash market; to-day that proportion seems to have edged up to about 53 per cent. according to trade estimates.

If squashes and cordials are now sbowing signs of becoming a commodity trade, with volume continuing to outstrip price, the same cannot be said of carbonated soft drinks—yet.

The turning point in the development of this market was the introduction of the one-trip, non-returnahle bottle by Schweppea in 1966. Until that time carbonated soft drinks—especially the mixer trade—had been largely confined to pubs. Of course, colas io cans were already on supermarket shelves, as were some mixers. Bnt overall growth was static: in 1961 total output of carbonated drinks was 230m. gallons; five years later it was only 6m. gallons more.

The effect of the one-trip bottle was immediate, and by last year production of carbonated drinks had risen to 268m. gallons. Sales through the grocery trade alone are estimated to be around £8m. a year. In addition, the no deposit bottle has been given another boost by the growth of specialist "wine markets," while the increase nf off-licences in supermarkets (they rose nearly 40 per cent. last year tn around 2,600) is a further development which is cbannelling mnre nf the mixer trade through multiples.

Against this sort of background it was hardly surprising that the leading chalns shnuld wish to have their own label carbonated drinks in no deposit bottles to add to their growing sales of such drinks in cans. In the last four years nwn label no deposit carbonated drinks have grown from virtually nothing to capture close on a fifth of the grocery trade.

This is still some way sbort of the share held by own label carbooated drinks in cans. Nevertheless, the recent purchase tax cut could act to the benefit of own label products. The tax reduction is too small to be reflected nn individual cans or bottles, so that the best manufacturers can do is to invoice their customers at the lower tax rate (18 per cent.) and leave it to retailers to decide how to pass the improved margin on to consumers. The odds are that they will put the focus on no deposit bottles (tbe fastest growing sector), and probably on own label products too, which may well accelerate these at the expense of branded soft drinks.

One trip

On the other hand, there is one development wbich appears to be acting in the opposite direction — reinforcing the branded side nf the business. Although the no deposit bottle was designed primarily as a grocery package there are clear signs that it is catching on fast in the licensed and catering trade as well. Some four years ago sales of carbonated soft drinks in one trip bottles through licensed and catering outlets accounted for barely a third of tbe total: to-day that proportion has risen to 40 per cent., and it is all branded business.

Over the long term, therefore, the industry could be faced with an intriguing marketing conundrum: to prevent a highly successful grocery product (one trip carbonated soft drinks) from becoming largely a commodity business, as squashes and cordials have done, manufacturers may have to ensure that sales of their branded lines through non-grocery outlets remain fairly substantial.

SOFT DRINKS II

Little change in basic requirements

By KENNETH J. HANMER, Assistant Managing Director, Tizer Ltd.

The commercial production of soft drinks or "carbonated waters" as they were then better known, goes back some 200 years or more and although science and technology have enabled great strides forward to be taken in production techniques and production equipment, the basic requirements of providing the market with a palatable, healthy product in an eye-catching hygienic package, remain much the same.

What makes a soft drink? The flavouring materials are primarily alcoholic extracts, emulsions, compound or synthetic essences and fruit juices, to which are added sweetening agents, natural or synthetic, preservatives, acids, and for carbonated products, carbon dioxide.

Few of to-day's soft drink producers acquire their flavouring materials in the raw or unfinished state. The skilled processes based upon scientific knowledge and technical control which are required to provide the soft drinks producer with flavouring materials of an assured high quality and absolute uniformity, has contributed to the development and growth of a specialised industry to supply these needs.

Sweet taste

Sweetening agents to the soft drinks producer, are those substances which, when blended with flavour, acids, etc., will provide a sweet taste and give "body" to the product. Sweeteners also assist in the transmission of the flavour and add to the energy or food value of the product. Sugar, derived from sugar cane and the sugar beet, is the most widely used sweetening agent used in the soft drinks industry. Saccharin is the artificial sweetener most commonly employed but its usage is subject to stringent legal limitations. The use of "cyclamates" has now been banned in the U.K. The majority of soft drink producers take road tanker deliveries of liquid sugar, direct from the sugar industry's refineries.

The acids used in soft drink production are of an edible grade, and are non-harmful in the concentrations used. Those in common usage are citric, phosphoric, and to a lesser extent, tartaric acid. Acids are used to complement and point out characteristic flavours and may also play a part in preventing spoilage of the product.

Water, as it occurs in nature, always contains impurities in solution or in suspension and as the environment becomes more polluted, so do the supplies of water available to the soft drink producer. The modern producer, therefore, has continually to determine by analysis, the extent which his supplies should be subjected to water treatment. Although town water supplies are potable, that is free from disease-producing organisms, the facilities are not always available to remove taste, odour, colour, turbidity and scale-forming salts. In order that the end product is of standard quality and uniformity, it is necessary that the soft drink producer should monitor, and by treatment, provide himself with water which ensures that such standards of quality and uniformity are attainable. Water treatment plant is, therefore, an essential part of the modern bottling plant.

Until the Second World War, it was a common practice for the small firms in the soft drinks industry to generate their own carbon dioxide, on site, by the reaction of sulphuric acid on sodium bicarbonate. Nowadays, however, it is the general practice in Europe to buy supplies of CO_2 from the major gas producers. Deliveries are made by carbon dioxide liquid tank trucks into low pressure receivers installed at bottling plants. The last two decades have seen a development of compact packaged CO_2-producing units with outputs of 50 to 1,000 pounds liquid CO_2 per hour. The process consists of carefully controlled combustion of fuel oil and extraction of CO_2 from the resultant flue gases with a recirculated "lye" solution. These packaged units have found a ready market in countries where CO_2 is not readily available.

Capital saving

A soft drinks production factory, whether it be a large or small factory, will have certain basic operating areas and facilities: warehousing, boiler rooms, flavoured syrup operating area, bottling hall, laboratory, water treatment area, maintenance and service area, administration area and facilities for operatives. All areas must be of a standard acceptable to producers of food and drink products with certain areas requiring special features and machinery peculiar to the soft drinks industry. The preparation of flavoured syrup will take place in a hygienic syrup room or area in which will be housed stainless steel vessels, filter pumps, meters, etc. The capacity and number of such vessels will depend on the size and number of bottling units to be served and in the larger plants it is quite usual for the syrup room operation to be partially or wholly automated. Recent developments in metering techniques may well mean that the components of a flavoured and sweetened syrup will simultaneously enter a metering device and emerge as a flavoured and sweetened syrup to be fed directly to the bottling unit. Mixing tanks would no longer be necessary and, apart from saving the capital investment in tankage, considerable space economies would result.

The bottling unit or bottling line for producing a carbonated soft drink in a returnable glass container consists of equipment connected by conveyor lines to carry out three distinct operations: those of bottle washing, filling and sealing the bottle and the labelling and packaging of bottles. Assisting in the filling and sealing is the carbonator in which CO_2 and water are mixed.

The function of the bottle washer is to present to the filler a bottle that is both clean and sterile. Two separate elements are used in a bottle washer. The mechanical devices which scrub the bottle in various ways and the washing solution which sterilises the bottles. Members of the alkali family of chemicals make up the basis of most bottle washing compounds. These alkaline washing solutions are usually composed of such alkalis as caustic soda, sodium carbonate, trisodium phosphate, and sodium metasilicate. Caustic soda is the principal ingredient because it has by far the best germicidal properties. For this reason, the time and temperature required for bottle sterilisation are almost entirely dependent upon the caustic content. Other alkalis may somewhat increase the germicidal strength of the caustic solution. However, milder alkalis are used for their improvement in cleaning properties. Sodium carbonate and trisodium phosphate are used to improve the detergent action of the solution. Sodium metasilicate prevents the damaging effects of highly alkaline solutions. Three factors are crucial in the germicidal efficiency of the washer. These are contact time, caustic strength and temperature. For a 10°F drop in temperature, it is necessary to increase the caustic concentration of the solution by 50 per cent. to obtain the same germicidal efficiency. For a 10°F rise in temperature it is possible to decrease the caustic content by one third. (Normal contact time is five minutes at 130°F.)

Bottle washers are of different types. Some are soakers, others make use of a jet stream or hydro principle, and some use combinations of both. The adaptation of a particular machine depends on the washing problem involved. The hydro washer pumps the cleaning and sterilising solutions and rinse water in and over the inverted bottles, which are carried through the machine on a conveyor. The soaker type of machine has an endless chain of pockets arranged in rows for holding the bottles in the various tanks containing the sterilising solution and for the final rinsing. The rinsing operation may include brushing inside and outside the bottle, or the same result may be accomplished with the use of water pressure, or forced air; or a combination of all these. The introduction of the non-returnable glass bottle and plastic bottle has simplified the problems associated with bottle washing and preparation. The non-returnable bottle, when delivered shrink-wrapped in pallet loads, requires a fresh-water rinse only. A rinsing machine is much less expensive than a full bottle washer and very much cheaper to operate, requiring no detergent solutions. The best bottle washer is not infallible and it is extremely important to the control of the quality of the finished beverage that the clean bottles undergo inspection after they leave the washer and before they arrive at the filler. In recent years, to meet the needs of efficient bottle inspection, a number of electronic devices have been designed to do the job, and in all modern installations, electronic inspection can be considered a necessity.

Filling units range from semi-automatic machines producing only a few bottles per minute to large rotary multiple head machines capable of producing over 600 bottles per minute. The smaller units frequently have a syruper section which doses the bottle with a predetermined amount of flavoured syrup and a section where the bottle is topped up with carbonated water. The higher speed units are almost all pre-mix fillers in which the finished product is filled directly into the bottle. On pre-mix systems, flavoured syrup from the syrup preparation area, water and CO_2 are mixed in the proper proportions at the correct temperature and then fed to the filler. Pre-mix equipment eliminates the need for a separate syruper section on the filler and ensures a more uniform product by removing the possibility of an inaccurate syrup dosage. High speed fillers generally incorporate, in a monobloc construction, a sealing device for whatever type of seal is to be applied—crown cork, rolled on aluminium closure, plastic cap, etc. Filling machines are designed to adapt themselves automatically to variations in the bottle flow and have built-in automatic stop devices to deal with any emergency situation. All parts of any filling machine which come into contact with the product are of stainless steel or other resistant finish.

It has long been established that economy and uniformity of carbonation can best be attained by reducing the temperature of the water to be carbonated to approximately 3°C. This has, of course, required refrigeration equipment and where a large volume of water has to be chilled, the cost of operating this equipment is a very considerable feature. Recent improvements in design of filling mechanisms have led to the introduction of satisfactory high speed filling at ambient temperatures with liquid temperatures at approximately 20°C. thus avoiding the costs involved in refrigerating equipment and processes. Continental machinery manufacturers are now installing bottling lines for carbonated soft drinks capable of filling at ambient temperatures between 500 and 600 one litre bottles per minute. At such speeds, complex conveyor systems are completely automated, mechanical handling systems are needed to maintain supplies of packages to, and remove finished products from, the bottling line.

Palletised loads

On a run of re-usable bottles, cases of bottles are delivered in palletised loads from the warehouse to a de-palletiser which removes individual cases from the pallets and feeds them to a de-casing machine where individual bottles are removed from the pockets of the bottle cases. The bottle cases are fed to a case washing machine and then to a case packing machine to await filling with full bottles, which by that time have emerged from the labelling section of the bottling line. After repacking, palletised loads of cases are forklifted to the warehouse.

Soft drink bottles are generally labelled in one of two ways. They may have an applied colour label which is fired on to the bottle by the bottle manufacturer. This label lasts as long as the bottle, cannot be changed and requires no processing other than bottle washing. The other type of label is one which is put temporarily on to the bottle and is generally made of some form of paper. A new label must be applied to the bottle each time the bottle is used and removed in the washing process when the bottle is re-used. The labelling machines can apply body labels, front and back, and neck labels, all simultaneously, if so desired, and are designed to operate at the speed of the rest of the bottling line.

Canned carbonated soft drink production employs the same basic techniques as for the bottled product. The production of squashes and cordials and the so called concentrated soft drinks, involves similar operations to those described above except of course, that the product does not require carbonation.

The giants and the minnows

By PAMELA READHEAD

Soft drinks manufacturers are a dying breed. Just after the war there were over 4,000 local manufacturers peddling fizzy pop to a familiar and loyal market. Usually they served an area 20 miles radius from the depot: the distance a good horse can walk in a day.

Now there are fewer than 500 manufacturers and the number is still falling. According to the Soft Drinks Manufacturers Association, there are about ten major manufacturers, then say, 50 middling sized companies. The rest are very small indeed.

It is the medium sized companies which will see most changes in the next few years. The ones which through good management have already grown large enough to dominate the market in certain areas. Often they have been run by the same family for three generations.

Such companies have three basic choices. Either they decide to break out of their area and try to compete with the giants—Beechams, Schweppes and Watneys (Coca Cola south) or they go all out to saturate the local market with which they are already familiar, taking trade from the smaller fry. The third choice—to abandon soft drinks for fish and chips or launderettes or whatever, is often taken after the younger generation has expressed disinterest in the family business.

Declining number

A. G. Barr, a Glasgow company which earned its reputation in the Scottish market, decided long ago that the only way to keep in business was to get out of a purely local market. Robin Barr, a director and son of the chairman, predicts an ever declining number of companies in the soft drinks trade. But he believes there is a place for medium-sized family businesses only as long as they are well managed. His own company, with a turnover of £3.9m., he counts as number four in the national league. It is currently in the process of moving its main brands into national distribution.

Barr's growth—it overtook Tizer, one of its biggest competitors a couple of years ago—is encouraging. Turnover is expected to top £4m. in 1971. Expansion south of the Border has been through acquisition of three factories in Bradford, Sunderland and Manchester.

At the moment the Manchester factory, whose canning plant has been enlarged, is churning out 800 cans of pop a minute, double the output last year. "Our biggest danger is overselling," says Robin Barr.

The company's major brand, which hit England in time for Christmas, is Irn-Bru. This sweet fizzy drink helps push up Barr's share of the fizzy market in Scotland to 40 per cent., more than Coca Cola's. South of the Border the share is about 10 per cent. The Scots drink 1m. bottles of Irn-Bru a week and Barr is anxious not to launch the product in England until production facilities have been stepped up. Barr is already marketing Strike, a cola, in the South. "We decided a long time ago that the future looked bad for purely local manufacturers."

But among the many who would disagree is Edward Mason, chairman of T. Mason a Birmingham company. His company was established by his grandfather in 1899 and he still delivers within 15-20 miles of his depots in Birmingham, Coventry and Bristol. Professing that he does not know his sales figures, Mason reckons they are, nevertheless, in the top three in his area. As his brands are still distributed in returnable bottles he has not moved into supermarkets where competition with the national brand leaders is hottest. A lot of "Super Jaff" and lemonade is sold through canteens and local shops. But cash and carry has been a growth area in the past few years. When asked why he is not thinking of going national, Mason says it's all a matter of ambition. With 120 employees he feels he is a reasonably sized company. He advertises on television and does not see the point in moving outside the area his family has operated in for two generations.

One of the childhood names which is still remembered with nostalgia is dandelion and burdock. Still a firm favourite in the North of England, it is the third best selling flavour of Huddersfield's biggest local manufacturer Benjamin Shaw and Sons. Established 100 years, Shaws sales have doubled in the past five years to £1.5m. The company was the first in the country to put soft drinks in cans.

While still essentially a local manufacturer—the best-selling yellow lemonade is still sold in the area Grandfather Shaw delivered to by horse and cart—Shaw has also built up a substantial export business together with regular orders from airlines and ships crews on an international scale.

Vimto is another soft drink peculiarly attractive in the North. Made in Lancashire by J. N. Nichols, it sells £1m. a year, with exports making up £315,000. of the total. The export business is growing so fast that the company is moving into a new £2m. works at Wythenshawe near Manchester. Most of the exported Vimto goes East to Kuwait, Bahrain, Mombasa and even further. The Kuwaitis like Vimto so much that they sometimes order a thousand cases at one time.

Nichols, which is run by second generation descendants of the founder, also sells in a concentrated form to other manufacturers who put the fizz in it.

The other way to boost turnover is in contract canning, like Solent Canners of Southampton, or in manufacture and canning of own-label brands. Barr has recently landed the contract for Marks and Spencer's own label, for example.

There is always scope for the ingenuity of the smaller manufacturer. In the past many of the innovations in the soft drinks trade have been made by the local manufacturers. If this aggressive spirit can be kept alive they may well outlive some of their larger competitors, especially in their own areas.

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Changing state of play in pubs

By KENNETH GOODING

According to one authoritive estimate, about £170m.-worth of "mixers," other soft drinks and fruit juices will be sold through Britain's public-houses this year. Figures are notoriously difficult to pin down in the pub trade where retail prices vary enormously—sometimes even between one "round" and the next—but it is estimated about £77m. goes on "mixers," things like tonic, bitter lemon and ginger ale.

The interesting thing, therefore, is that so many of the brewers have been content to accept the domination of Schweppes in this particular part of their business. For example, Scottish and Newcastle has an arrangement with Schweppes to supply its managed houses in the belief it is much more simple and economic to have a national distributor serve the managed houses direct. S. and N. has its own soft drinks business in John McKay of Newcastle which had a turnover of £500,000 last year and restricts its activities to the North East. The terms of the deal with Schweppes mean that McKay can only supply its own parent's managed houses with products which Schweppes cannot provide.

Own businesses

In direct contrast to the S. and N. attitude is the position of at least two of the major brewers who have recently been busy building up their own national soft drinks businesses.

The first case is that of Bass Charrington's offshoot, Canada Dry, which up to a couple of years ago seemed content to earn a steady living on the reputation of its unique ginger ale.

Following the merger of Bass Mitchells and Butlers with Charrington United Breweries, Canada Dry had a good base to begin new growth—13,000 Bass pubs and off-licences selling about £50m. of carbonated drinks between them. Although none of these outlets was "tied" for soft drinks, Canada Dry as the own-brand product must have had the edge.

In recent months Canada Dry has concentrated on expansion by deliberately holding down "mixer" prices following increases by competitors last April of up to 26 per cent. According to managing director Mr. Richard Griffiths, the company has gained "a great deal of business but it is hard to say whether the increased volume is producing more profit than would have been collected if the group had followed the competition and put up its prices.

But Mr. Griffiths is sure about the long-term benefits. Customers who used to take only ginger ale are now taking other "mixers" from the company and there is a fund of goodwill building up among retailers who are becoming much more price-conscious. Another sign that Canada Dry was not content to ignore large sections of its market came with the recent launch of its "extra" ginger ale, a "dry"—or some say "hot"—ginger ale to complement the "American" or sweeter type on which the company built its reputation.

The most significant move by Canada Dry came about a year ago when it signalled its intention to move into the supermarkets and grocery outlets with its products. To do this it set up a marketing agreement with A. Wander, makers of Ovaltine, which is acting as Canada Dry's agents in the grocery trade. Wander claims to service every one of Britain's 100,000 or so grocery outlets but initially concentrated on launching four Canada Dry products through supermarket chains.

The second case concerns Whitbread, third-largest of the British brewers, which acquired the old-established Southern soft drinks business R. White and Sons in a £3m. deal in April, 1969, and then proceeded to merge it with the Rawlings subsidiary. Now called the Whitbread soft drinks division, the organisation is concentrating on marketing under just two main brand names. The "mixers," squashes and fruit juices are being sold under the Rawlings label while fizzy drinks go into R. White bottles.

Managing director Mr. John Lofts maintains: "We hope to see ourselves as one of Britain's major soft drinks concerns." Like Canada Dry, the Whitbread soft drinks business is attacking more than the licensed trade with its products. The R. White's drinks were well-established in the confectioners, newsagents and similar outlets before the brewers took them over and this trade has been built on.

New factory

Like Canada Dry, which has a fairly new factory, Whitbread soft drinks will move to a new factory at Beckton shortly which has been built to replace premises at Barking due to be compulsorily acquired.

In passing it is worth recalling that Whitbread also has a stake in the Coca-Cola business in the U.K. because it owns Coca-Cola Western Bottlers which has the franchise in Oxfordshire, parts of Gloucestershire and Wiltshire and neighbouring counties.

Rival brewers Watney Mann has a larger slice of the Coca-Cola business because it has the Southern franchise (with Beecham taking the North and Scotland).

Watney's other soft drinks interests are mainly concentrated into the Cantrell and Cochrane consortium—consortia were a favourite method used by the brewers to get the maximum benefits from the fairly large turnover which must come through the involvement of a number of brewing companies. The Squires gin consortium is perhaps the best known example.

Where C and C differs from the usual run of things is that the major shareholder is none other than Schweppes which has perhaps as much as 60 per cent. of the pub "mixer" business under its own label. Schweppes has 42 per cent. of C and C while Watney and Courage split the remaining equity equally between them.

C and C really got off the ground in March, 1969, when Watney injected its Northern-based soft drinks companies into the group and opened up its 8,100 outlets to the C and C products. Mr. Peter Kewley, managing director, insists that C and C is run as an independent concern. Certainly it does not seem to operate as a junior partner to Schweppes even though it completely restricts its activities to the licensed trade where Mr. Kewley maintains it is the second-largest supplier.

After a spell during which it concentrated on building up distribution—it has 27 depots and five factories—C and C came up recently with a new marketing approach. It is now selling its "mixers" and squashes under the "Club" brand name. In the autumn the first attempt at consumer advertising by C and C gets under way with a television campaign for the new brand, quite a big step for a soft drinks concern.

Finally we come to this question: What is Allied Breweries, second-largest of the British groups and famous for its aggresive brand marketing, doing in the soft drinks field? Superficially the answer might seem to be that it has one or two rather limited operations in this particular market with McPherson Minerals at Chelmsford and Minster, the Northern concern.

Ready-made brands

It seems highly unlikely that Allied will ignore this lucrative field much longer and it has a ready-made list of brand names under which "mixers" and other soft drinks could be launched—names like Coates, Gaymers, Whiteways or Britvic.

What seems clear, however, is that if Allied does enter the field then the brewers will be crowding the market just a little. As one retailer put it: "There might be room for two brands—but half a-dozen? Certainly not."

Bleak picture in the squash market

By BILL HORWOOD

The fruit squash market has become something of a bête noire in advertising and marketing circles. At a time when food manufacturers have been realising the full extent of the growth of below-the-line promotion spending while media advertising has been standing still the squash market has been regarded by many as a classic case of what happens when too little is spent on brand advertising and too much on retailer deals.

Certainly as a market it presents a pretty bleak picture. Brand loyalty is low, the market price dominated, innovation limited and 12 proprietary brands are fighting with an unusually strong private label sector for shelf space, with the result that no brand has a market lead and the proprietary brand shares range between 4 and 9 per cent. On top of what had been a reasonably healthy market with a growth rate of about 8 per cent. through the early and middle 60s went into decline last year following the public row over cyclamates.

Even so the market might have escaped too much trade and marketing comment had it not been for the publication by Television Consumer Audit, the ITV companies' market research operation, at the end of last year of a report on long-term consequences of below-the-line activity. This looked in detail at promotional activity over the 1967-69 period in the squash, toothpaste and detergent markets and suggested that of the three, fruit squashes was the most severely affected by below-the-line spending. Spending on retailer deals in the market was, it said, ten times greater than that on advertising and the manufacturers had failed to keep an initiative in their market because of this.

Even now Mr. Ron Goodwin, director of the Television Consumer Audit, sees no reason to modify the findings of the original report. He says: "Nothing has changed in the market and we've no new evidence to bring forward that makes me think the original report was mistaken. The lesson is quite simple and more recent studies of the instant coffee market and washing up liquid markets support this: unless the squash manufacturers alter the above- and below-the-line marketing mix in favour of more media spending their market will continue to be price dominated and suffer from weak brand loyalties."

Complex factors

For the squash manufacturers (and with Beechams, Schweppes, Reckitt and Colman and Batchelors in the market they include some tough marketing operations) what has been particularly galling about the TCA report and subsequent discussion about it is the implication that they could have done better if they had tried harder. While there is no dispute about the sorry state of the market many of them believe that the weak position of the proprietary brands arises out of factors more complex than a simple above-the below-the-line imbalance. Among these is, for example, the fact that squashes have a straightforward technology which makes private label entry easy.

Certainly the private label sector in squashes is, at about 35 per cent. of the market, probably higher than in any other major grocery category. Many of the retail chains, notably Tesco, Sainsbury and the Co-op, now have shares of the national market which are significant relative to the proprietary brands. Indeed as one proprietary brand man says "nowadays no self respecting retailer really considers he's arrived until he's put his own brand of squash on the market. It no longer makes any difference to housewives that the general quality of the product is much lower. What is important is that prices are 10 to 15 per cent. lower than with advertised brands."

Inevitably this is a situation where the proprietary brand manufacturers have had to keep prices as low as possible through retailer deals and consumer promotions. Indeed those that have not done so and kept a bigger portion of their appropriations above-the-line have suffered. Treetop, the Batchelors product, which has been at the premium end of the market ever since its national launch in 1965, has suffered more of the decline over the past eighteen months than the other proprietary brands. Mr. Gary Hardisty, Batchelors soft drinks brand manager, is in no doubt that a major reason for this has been its price, which has been a little higher than other brands. In Hardisty's view the premium priced brands have been most affected by the bad publicity surrounding the cyclamate ban at the end of 1969 because it meant that "whatever the true facts about quality housewives felt after that that premium brands were no better than any other squash on the market and so were unwilling to pay the higher prices." Batchelors has, in fact, been trying to bring the product more on a par with the market as a whole in price terms over the past few months, through retailer deals.

Media spending

At the same time however Hardisty maintains firmly that he has no intention of reducing media spending on Treetop much below the £140,000 that was put behind the brand last year. This view, which differs very much from what might have been expected from the proprietary manufacturers on the basis of the TCA report, is also shared by Mr. Nick Clarke, soft drinks product manager at Reckitt and Colman and responsible for the Robinson label whose share has risen steadily through the market decline of the past 18 months. This success says Mr. Clarke "is the result of maintaining a reasonable level of above the line spending at a time when most of the other brands have had little media support." At the same time, however, a good part of the success of the brand this summer is probably due to a major coin promotion which it is now running.

In fact it would be a mistake to think that other manufacturers have not attempted to build brand franchises for their products through media spending. Schweppes, for example, invested heavily in media advertising in 1967 and 1968 for its brands Suncrush and Sunfresh but had only mediocre results and has cut back its spending since. Indeed last year it spent only about £50,000 on its four brands together despite the fact that their combined market share is probably worth rather more than 20 per cent. Similarly, Beechams has withdrawn advertising support for its brand Quosh after a heavy period of spending in 1968 and 1969 when it was re-launched.

In short, the manufacturers have tried to maintain a reasonable level of above-the-line spending but it has not produced spectacular results. Opinions are divided about where they go from here. Beechams, for example, makes no bones of the fact that in its view the Squash market is now a commodity market where advertising is not of very great value. As Mr. Geoff Darby, its marketing director, said recently: "In advertising terms this market is beyond redemption. We tried it with Quosh and failed. It is now just a case of getting down there and wheeling and dealing."

Mr. Clarke, of Reckitt and Colman, is not so sure. "Certainly the outlook for the market is tough and I don't think that the weak brand loyalties or strong private label position will change," he says. "Nevertheless, the market should start growing again, perhaps at a reduced rate of 5 per cent. or so, but unless we try to build up brand franchises and try to innovate and offer something positive nobody will be contributing anything to it."

APPOINTMENTS

The Executive's World

EDITED BY DAVID PALMER

KWIK SAVE

Pile it high and sell it cheap

BY KELSEY van MUSSCHENBROEK

PROBABLY one of the most intractable problems facing supermarket operators these days is the quality of management in the store. As food chains grow larger so does the need for highly qualified store managers and staff. As a result, most major chains now find themselves investing heavily in staff training.

In North Wales, however, a relative newcomer to the supermarket scene called Kwik Save of Prestatyn has come up with a rather novel solution to the store management problem: it employs anyone but experienced store managers to run its 29 discount supermarkets. Kwik Save can do this as a result of having built its operation around a simple though obviously effective computerised stock control and re-ordering system. Although this kind of system does have general application in retailing, Kwik Save claims that its version, in one or two crucial details, is peculiar to itself, and to that extent it is unique.

KWIK SAVE

Year ends August 31	Sales (£'000)	Pre Tax Profits
1965	813	19
1966	1,772	75
1967	4,041	99
1968	6,271	299
1969	8,533	428
1970	11,076	643
1971*	15,000	1,000

* Estimated

For Kwik Save this has two important results. First, the difficult part of running a store has been handed over to the central computer. Secondly, what remains can be taught fairly easily to people with no previous retailing experience, in the knowledge that it would be virtually useless to them in any other food store.

The final link in the chain which binds store managers to Kwik Save is a payments' structure which allows them to earn very much more than they were earning in their previous jobs, and significantly more, says Kwik Save, than they would receive elsewhere in retailing in their immediate locality. In the past months or so Kwik Save has lost only one store manager, and he was fired.

One of Kwik Save's larger stores, for instance, is run by an ex-lorry driver. He used to take home £17 a week. At Kwik Save he takes home more than £60 a week. "For this all we ask him to do," says Kwik Save's chairman, Albert Gubay, "is open and close the store on time, keep it clean, look after his staff, take the money to the bank after closing, and fill in our specially designed stock card at the end of the week and post it to head office." He does not, it will be noted, have to order any stock himself; nor does he have any responsibility for price marking individual items—two areas where problems often arise in a conventional supermarket.

There is, in fact, a great deal about Kwik Save that is unconventional, and which in Albert Gubay's view is the key to its phenomenal growth since 1965. In that year the company was operating four supermarkets along conventional lines, trading under the name Value Foods. Turnover was £813,000, and pre-tax profits came to £19,000—a net margin of less than 2.5 per cent.

In that year, too, Mr. Gubay decided to switch to a genuine "discount" operation under the Kwik Save sign. The effect was immediate: in 1966 sales doubled and profits quadrupled. At the end of last year Kwik Save went public, and this year turnover will probably reach the £15m. mark, and pre-tax profits could top £1m., which would mean a net margin of more than 6.6 per cent, making it one of the most profitable, if not *the* most profitable food chain in Britain to-day.

Grocery discounting tends to mean all things to all men, so that Kwik Save's formula warrants careful examination. Prior to going "discount" the company's 10,000 square foot Prestatyn supermarket, for instance, was taking around £4,000 a week. The range of merchandise sold numbered some 4,000 lines including meat, provisions, frozen foods, delicatessen, fruit and vegetables, hardware, records, cigarettes. "It was a beautiful store," says Gubay with relish, "until we got to work on it. Now it's a very profitable store."

Getting to work on it meant ripping out most of the fixtures and fittings, including all the refrigeration, and throwing out everything except dry groceries and things like butter, margarine and fats. Then this range was slashed to less than 800 items. Meat and provisions were then brought back on a concession basis, as were fruit and vegetables. "We realised we did not have the necessary expertise to operate these profitably, so we rent space to people who can," says Gubay. The same store is now taking £17,000 a week, excluding outsiders' sales.

A typical Kwik Save discount store is now a very simple and rather ugly warehouse-like edifice, surrounded by generous car parking. There is virtually no shelving to speak of. Wider than average aisles (up to 15 feet wide) separate stacks of groceries still in the boxes or "outers" in which they left the factory. More often than not these outers are still on their factory pallets, having been delivered straight to Kwik Save's central warehouse and out again to the store without double handling. In the store the top layer of boxes has been opened for display to the customer.

Albert Gubay—"tough, uncompromising and utterly profit orientated."

As these are emptied shoppers tend to take them to carry their groceries home, and a member of the staff then opens the next box, and so on. This means that there is no price marking of individual items—a labour intensive operation which Gubay estimates can cost as much as 1 per cent. of sales. Instead prices are shown by a single large marker above the relevant stack.

Kwik Save has also dispensed with sophisticated check-outs. There are no "rolling shelves" alongside the cashier who sits at a small wooden desk with her cash register—the desk costs £6. Instead the shopper's full trolley is placed head-on against an empty one; as goods are itemised on the cash register they go into the empty trolley which the customer then takes away to a shelf specially provided in the front of the store) where the goods are unloaded.

It all looks so simple, yet the reduction in queueing time and the increase in through-put per checkout operator is an important part of Kwik Save's low labour costs. Added to the saving on price marking, and savings achieved behind the sales area, it means that Kwik Save can operate on labour costs which absorb just over 3 per cent. of turnover. Last year Tesco's labour costs amounted to 8 per cent. of sales.

Simplicity, too, is the hallmark of Kwik Save's operations behind the store. The stock cards which reach the company's head office every Monday are automatically "read" and converted into punch cards for the computer which is already programmed for optimum stock levels in each store. The computer then calculates the stock needed for each store, and splits the requirement into pallet and vehicle sized loads.

The loading document then goes to the central warehouse, and once loaded the delivery vehicle is sealed. The store manager is then informed of the number on the seal which must be unbroken when the vehicle arrives. The palletised goods are either taken straight to the sales area, or held in a storage area which averages around 10 per cent. of total store area, or less than a quarter of the area devoted to storage in conventional supermarkets. Sealing the delivery vehicle helps Kwik Save keep pilferage down to around 0.6 per cent. of sales, against anything between 1 and 3 per cent. for most large chains.

The "geography" of the store itself is becoming increasingly standardised. This helps unloading, stacking, replenishing and pricing. It also means that staff can be transferred from one store to another without too much retraining. Nor is there anything complicated about the way Kwik Save goes about its pricing. All pricing decisions are taken at head office, and as with the stores' layout, they tend to be uniform across the chain.

Although Kwik Save is shy of going into too much detail, it appears that the 800 lines are broken down into around 25 key price "brackets"—which helps the computer, the store manager and the check-out operator who is required to carry all prices in her head for speed of operation. The corollary to this pricing structure is that Kwik Save tends to sell only one or two major brands in any commodity group; it carries no "own label" lines.

The company admits to driving a hard bargain with suppliers. "Not many of them make any money on our accounts," says Albert Gubay, "but we are a useful contributor to their overheads." He remains unperturbed that manufacturers with brand leaders sometimes refuse to meet his terms. "Then we sell the second or third brands, and they soon become brand leaders in our area," he boasts. Kwik Save does not, for example, sell Heinz baked beans (nationally, the brand leader by far) but HP's version.

Kwik Save takes a firm line with its concessionnaires, too. Far from linking rents to their own sales and profits, Albert Gubay charges them a percentage of *Kwik Save's* sales—0.8 per cent. for butchers, 0.4 per cent. for greengrocers. Gubay rationalises it like this: "We provide the store traffic; they must take advantage of it. If a concessionnaire can't keep up with us we look for someone who can."

Gubay himself is the archetypal entrepreneur—tough, uncompromising and utterly profit oriented. He has not always been a supermarketeer. Shortly after the war he ran a small confectionery company and then moved into confectionery retailing, property development, and for several years owned a horse trotting race track.

To-day, however, he is totally committed to Kwik Save, and for good reason. "It's almost a licence to print money," he exclaims. "With our system we are so far in front we're lonely. Why does the competition allow us to carry on like this?" Part of the answer is the Kwik Save "system," which enables the company to turn its stock over 23 times a year, operate on a gross margin of 10-11 per cent. (a good 6-8 per cent. under conventional supermarkets' dry grocery margins), and undercut local competition on price by as much as a fifth.

The rest of the answer may have something to do with the nature of the competition itself. It may be true—as at least one local property agent testified—that Kwik Save is already competing successfully against such top supermarket names as Fine Fare and Tesco. But North Wales represents the periphery of these groups' trading empires.

Tightly knit

It may also be true that Kwik Save has already moved into Shropshire and Cheshire, and is now penetrating Lancashire and beyond. Nevertheless, it is still effectively tied to home base, and the single, central warehouse on which so much of its low overheads and central control depends. Management is still tightly knit enough (Gubay apart, three men run the company) and young enough (all in their 30s, Gubay excepted) to run circles around the giants' toes.

To be fair, the company is well aware that the future cannot be taken for granted. Increasingly, Kwik Save is opting for wholly-owned developments which involve traders in adjacent, though separate units that complement its own narrow range of goods. The 30th store will open shortly in Rochdale, taking just less than 30,000 square feet of a 72,000 square feet shopping centre.

—Kwik Save also admits that the next real test of its staying power will come when it has to put in the second warehouse, probably in a couple of years' time. Meanwhile, the odds are that the growth of this latest (computerised) exponent of "pile it high and sell it cheap" will continue.

No hidden magic in Japanese management

BY SAMUEL EILON

THE HEAD of the Information Systems Laboratory of Hitachi was very apologetic: "We are still accommodated in this old building," he said. "Our plans for a new building for my group had to be postponed because, as you probably know, we have at present a bit of an economic recession in Japan. Our growth rate this year is running at only 9 per cent."

The first thing that surprised me on my short visit was that the Japanese did not seem to work particularly hard. The picture that some people have of Japanese workmen rushing around in great frenzy and working their guts out under the oppressive supervision of bullying foremen is a complete myth. In two shipyards and several other plants of the heavy industry type—where one expects the work to be particularly strenuous—work seemed to proceed smoothly at a reasonable pace and without any apparent stress. I had the impression that workers knew what they were supposed to do and got on with it. In one shipyard the ratio of foremen to operators was one to 20, and indeed during my visit to the yard I felt that foremen were almost conspicuous by their absence.

Perhaps the reason for this is that the Japanese are obsessed with planning and spend what appears to be an inordinate amount of time on working out their future operations in meticulous detail. Master and detailed production schedules are then generated which depict precisely when various activities should start, and these schedules are then faithfully adhered to.

It is difficult to judge whether too much planning can lead to rigidity in production schedules. But where local inefficiencies do occur they are outweighed by the advantage of having a stable schedule. Everyone in the organisation knows that schedules have to be taken seriously. So much so that a Japanese shipyard can build a 300,000 ton tanker in three months.

The corollary of meticulous planning is meticulous control. And indeed I found the production control department humming with activity and "progress chasers" were evident everywhere. Progress charts are prominently displayed and discrepancies between planned and actual performance are avidly and mercilessly investigated without delay.

The use of the computer in planning and control is also very much in evidence.

I quote from a production planning document of one shipyard: "The following four conditions are required for production planning—(1) the production capacity of a plant or process should be measured with high accuracy; (2) workload planning should be set up according to capacity; (3) fluctuations of workload should be reduced through levelling; (4) highly accurate plans should be expanded from the master schedule down to day-to-day schedules."

If you have an uncomfortable feeling that there is really nothing very sensational about all this, then you will understand my own reactions. I have not come across any novel management techniques or any radically new planning tools. They are all well known, they are well expounded in text books and can be found in active use in many firms in this country. But with their singlemindedness and their deep-rooted industrial discipline the Japanese have somehow given the planning function a new dimension and have elevated it to a powerful function in the organisational framework.

At the strategic level of the development of the company I was very interested in the role that banks appear to play. The fact that they own large chunks of Japanese industry and are therefore deeply concerned with performance and growth leads them to take a much more active part in directing the activities of the enterprises under their control than is apparent in this country, in monitoring progress, in evaluating expansion and diversification plans. This constant vigilance and initiative taken by the banks must be a major factor in stimulating capital investment and industrial growth. It must also be highly remunerative for the Japanese banks. Perhaps there is a moral here for British banks too.

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FRIDAY AUGUST 13 1971

Bigger surplus than ever

THE TRADE account goes from strength to strength. Since April it has been in continuous surplus and the size of the surplus has grown steadily from month to month—£16m., £26m., £40m. and now £43m. The extent of this achievement must be gauged by the fact that invisible earnings are bringing in about £50m. of foreign exchange every month, so that the overall balance of payments is in comfortable surplus provided that there is no more than a modest deficit on visible trade. When there is a visible surplus of the size we have been running lately, the overall surplus becomes very large indeed. The firmness of sterling in the exchange markets is clearly not due only to the weakness of the dollar.

Rising exports

It would be a mistake, however, to assume that because the visible surplus has now been running at a rate of £30m. to £40m. for three months on end this figure can be taken as a reliable indication of the trend. To a large though indeterminate degree, the surpluses of the past few months are a counterpart of the first-quarter deficit caused by industrial disputes. Over the first seven months of the year as a whole, the surplus has averaged £8m. a month. This is a good deal better than at the same time in 1970, when the account was almost in balance, but it is a long way short of £30m. to £40m. The smaller figure is probably the better one to take.

Exports and imports both fell in July but imports fell slightly more. Over the first seven months of the year, imports have been running 8 per cent. higher than in the second half of 1970 with most of the increase coming in volume rather than price. Exports have been running 7 per cent. higher on average and it seems likely that, underneath the fluctuations, the trend has risen well. Exports, moreover, are now clearly rising in volume instead of only in price: the official estimate is that about half the total increase so far this year has been due to higher volume.

This is a welcome development, since a rise in exports due only to price increases is likely to peter out before long. Sales to the sterling area so far this year have been running at a rate of 12 per cent. up on the second half of 1970, sales to North America at a rate of 10 per cent. up: the U.S. market, in particular, should remain buoyant in the months ahead. One reservation which must be made is that the strength of machinery exports at present is partly the result of a recovery in sales of large items like ships and aircraft, which fluctuate irregularly, and partly of orders placed some time ago. Engineering orders for export have fallen since the middle of last year.

The major reservation which must be made about the future of the trade balance, however, is on the import side. Imports have risen quite fast since the middle of the year despite fairly steady prices and a low level of industrial activity. But import prices have recently begun to move up and the Chancellor has now taken measures by which he intends to get the economy growing at an annual rate of 4-4½ per cent. The effect on the import bill could be marked, especially in cases where stocks of raw and semi-finished materials have to be built up.

Deceptive

The present strength of the balance of payments is therefore largely deceptive. It is a result of the fact that industry is working well below capacity and consumer spending is flat; it will tend to disappear with these conditions. Britain has still to solve satisfactorily the problem of combining full employment with a sound balance of foreign payments, and in the context of entry into the European Economic Community. If there is any advantage to be gained from currency realignments during the next few months, embarrassment about the immediate size of the payments surplus should not prevent us from taking it.

Australian politics in crisis

THE DISMISSAL of Mr. John Gorton as Australian Defence Minister is a natural but unhappy sequel to the long series of earlier battles between leading members of the Australian Liberal Party. Mr. Gorton was Prime Minister for three years until March this year when he left office on a vote of no confidence within his own party. He was succeeded by Mr. William McMahon, a man who had made two earlier attempts for the premiership and who seemed to have the capacity and experience to dominate an Australian cabinet. But Mr. McMahon's six month term of office has been as stormy and as much beset by personal feuds as that of Mr. Gorton.

A Gorton supporter, Mr. Leslie Bury, became the victim of this situation when he was forced to resign as External Affairs Minister two weeks ago. More recently attention was diverted back to Mr. Gorton himself with the publication of a book on his premiership to which he replied with the first of a series of newspaper articles under the characteristic heading "I did it my way." Mr. McMahon called Mr. Gorton into his office yesterday and asked for his resignation on the grounds that the article had revealed cabinet secrets, and unfairly criticised other ministers. Mr. Gorton complied, with the promptitude which seems part of his political character.

Latest clash

The depressing features of this latest clash between the two men are that no serious policy issue was at stake and that the Press played at least as large a part in bringing about Mr. Gorton's downfall as did Mr. McMahon himself. The Prime Minister hesitated for five days before deciding to act, and did so only in response to a sustained anti-Gorton campaign from some of the main Australian newspaper groups. His handling of the crisis has given the impression that the Liberal Party and its leaders are drifting towards impotence even in the handling of internal party affairs. More significantly it has opened the way for a further crisis which could shake the Party's hold on power.

Against tradition

Mr. Gorton, despite his resignation as Defence Minister, is still the Liberal Deputy Leader, an elective position which he acquired after resigning the premiership early this year. It is against the tradition of the Party for the Deputy Leadership to be held by a backbencher so Mr. Gorton must expect a challenge to his position, perhaps at the party meeting which is due next week at the start of the new parliamentary session. If such a challenge is made Mr. Gorton will probably lose: his support within the party is thought to have declined from the 50 per cent. who voted for him early this year to about one-third. But he may lose in such a way as to tear the party apart. In particular some of his supporters could abstain in the no-confidence motion which is certain to be tabled against Mr. McMahon by the Australian Labour Party.

All this is grim enough for Mr. McMahon, particularly as the Australian economy is passing through a difficult phase which seems likely to dictate tough measures in the budget due to be announced next week. The real tragedy, however, is the Liberals' loss of ability to govern at a time when Australia desperately needs to be given a new lead on many domestic and foreign issues. If Mr. McMahon's Government were to fall, the advent of a Labour Government under Mr. Gough Whitlam would provide an impetus in some directions where the Liberals have been deficient. It would open the way for normalising relations with China which is a serious problem for Australia now that American policy is beginning to shift. But it looks as though not even a change of Government would quickly restore a genuine sense of direction to Australian politics.

Ulster — the grim bequest

Arthur Sandles reports from Belfast, Thursday, on the disruption of everyday life, and how it is damaging chances of social and economic recovery

THE combined effects of the British Army and a slow, penetrating rain dampened Belfast down to-day.

Things were showing signs of getting back to normal. Well, "normal" may not be the word that would be used in Manchester or Southampton. In the traffic jams of the Ulster capital you are likely to find yourself tucked behind an Army Land Rover with a paratrooper looking at you over a loaded rifle. The shops have their windows boarded over and the refugees—though Stormont would prefer not to hear that word—still leave for the South.

"Ghost town" worry

What damage has all this done to the Northern Irish economy? The answer will not be known for months. But at the moment it seems pretty bad. Even though the troubles have been confined to certain areas of Belfast, the Bogside in Londonderry and a few other places like Newry, the ripples have spread far. Tourism has been severely affected, both in the North and in the Irish Republic, where a frustrated annoyance is obvious at the apparent implication that a great many people are not aware that the North and South are separate entities.

Ulster has a declared need to create an additional 8,000 jobs a year in order to make any sort of economic advance. At the moment, such a target is laughable. New industry is not coming to Northern Ireland and in some quarters there is doubt about whether or not it can be encouraged to do so in the near future. Yet although the chairman of the Chamber of Trade says, "we are worried about Belfast becoming a ghost town," most people are unwilling to commit themselves to anything resembling a pessimistic view.

The managing director of James Mackie, a company which makes textile machinery and was closed for three days this week reckons that "confidence will return in a couple of months. Business memories are short."

It is arguable, of course, that while this may be true, it is also the case that social memories can be long. People may be willing to put their money into Northern Ireland, but whether or not they will be eager to put their wives and families there remains to be seen.

In fact, it is only in specific areas, even now, that there is any real security problem. Vast areas of the country have been trouble-free. Even in the city centres there is often no sign of problems apart from the military vehicles and the boarded shop windows. At Harland and Wolff there was noticeable absenteeism among the 10,000 workers earlier this week, but this had dwindled to normal proportions yesterday as transportation returned to something like the usual and those still without buses organised private transport.

Most obviously hit have been the shopkeepers. In the Shankill Road and Divis Street, of course, a great deal of business has come to a grinding halt behind smashed windows. I stood, a few hours ago, watching children and men emptying a burned-out pub in the Crumlin Road of the remains of its stock. No one made any effort to disguise the crates of beer as they made off with their loot.

Belfast's 500 city-centre traders have been asked to help in a survey to discover the percentage drop in sales this year as a result of the troubles. Later this month the results of this survey, sponsored by the Belfast Chamber of Trade and analysed by accountants Wright Fitzsimons and Cameron, will be sent to the British Prime Minister.

Apart from telling the U.K. Government precisely how badly Belfast trade has suffered, another aim is to let Belfast City Corporation know that further rate increases would be financially crippling. "We want more protection too for our premises; which are being used through explosions, to draw security forces away from troubled areas," said Mr. Alan Brown, president of the Chamber. "It has got to the stage where we don't know what we are coming down to in the mornings. We want to see the beat men back in the city centre, and in great numbers. Policemen checking doors could do much to put off the bombers."

To help deal with the immediate plight of both the traders and industry, the Government has introduced its new "instant assistance" finance scheme. Under this plan anyone who has been bombed or burned out will be able to borrow the cash to get going again until compensation is paid under normal arrangements.

Wreckage is everywhere

No one is really aware of how much damage is being done. Wreckage lies everywhere. "We cannot even start counting," say the Stormont Ministries. "Perhaps when things are a bit quieter, we will start to find out. At the moment, there are lots of small manufacturers and storekeepers who simply start up somewhere else."

The Government has set up a register of available alternative business premises, but a lot of the people affected find somewhere by themselves.

The authorities say that the damage must amount to millions of pounds. One guess I heard of £250,000 worth of damage a day over the past week is probably a considerable under-estimate. Houses have proved excellent material for bonfires and buses make quite good road blocks. Every day the local papers carry apologetic advertisements from food distributors and other suppliers saying that because their vehicles have been hi-jacked and destroyed, deliveries are not normal.

Generous schemes

The real question is, of course, whether Ulster can now produce the economic miracle it so badly needs. It continues to offer more generous schemes of assistance both to existing and new industry than are available anywhere else in the U.K. There is a 20 per cent. grant on expenditure for new plant and machinery and 35 per cent. on new buildings.

Expenditure net of grant enjoys the increased tax allowance now applying in development areas in Britain including free depreciation for new industrial plant and machinery. Where new projects offer worthwhile new employment alternatives, even better terms can be negotiated.

Major developments in the programme to stimulate growth and employment potential in small firms include accelerated factory building by the Ministry of Commerce. These factories are available to companies on the recommendation of the central Board of the Local Enterprise Development Unit. The Rural Industries Development Committee of the Northern Ireland Council of Social Service has dealt with about 1,000 companies during its ten-year life of helping small industry; it merged with the Development Unit earlier this year.

Since the last war, around 283 new plants have been set up in the province, providing nearly 79,000 new jobs. Of the new companies, 36 were American-based and ten came from West Germany. Overseas investment amounts to more than £200m. Employment in foreign-owned firms is 33,000, including 21,500 in American groups.

But can this go on? Big companies like British Enkalon, Harlands, Shorts and others have hardly been affected by the recent problems. But the image has been well and truly tarnished by the deaths of the past few days.

Obviously much of the immediate burden must pass to Mr. Roy Bradford's Ministry of Development. Annual expenditure on roads is already in the region of £19m. a year. Work has started on an extension to the main runway at Belfast's Aldergrove Airport. House building proceeds apace, with some £293m. planned to be spent over the next five years. It is certainly out of the question that the State should take up all the slack likely to be left by private industry. Not only are there the additional 8,000 jobs a year needed, but also the fact that Northern Ireland has suffered at least as badly as the rest of the U.K. from the general economic situation. A delegation of local union leaders is visiting Whitehall soon to protest about the redundancies among local employees of International Computers.

However, one hears fewer people to-day saying that once everyone in Ulster has a good job the troubles will disappear. The problem goes a great deal deeper than that—and even if it did not, which would come first—jobs to create stability or stability to create jobs?

Both Stormont and Whitehall have little choice but to go for stability first. On to-day's showing they seem to be meeting with a large measure of success.

Although at the time of writing the number of official deaths this week is 22, the real total could be much greater. The IRA may well be carrying away their own dead. In that case their losses, including the detentions, could be high indeed—certainly too high for the open warfare to carry on for very much longer. The question is whether once the street terrorists have been removed the army and police can prevent a return to widespread bombing and sabotage. Only several months of real calm will reassure potential investors.

Week-end is the test

More immediately, everyone is looking to the week-end which is generally seen as the big test of whether the internment policy has worked. If the week-end does pass relatively peacefully then business in Northern Ireland can breathe more freely.

The road to something like normality has to be pointed by the politicians of London, Dublin and Stormont. So far it seems likely that even now the damage to Ulster's investment potential may still not be permanent. But without renewed peace on the streets and some hope of a more settled political future, it could be.

MEN AND MATTERS

Bringing the pioneer back to airships

A major coup for the bring-back-the-airship lobby is the conversion of Sir Barnes Wallis, designer of the original R100 and Britain's greatest aircraft designer. Previously he had been very critical of efforts to design and build a new generation of airships. But now a major British oil company has managed to interest him in a novel use for airships—the transportation and import of natural gas.

Sir Barnes, who is 83 but still deeply involved in advanced aircraft design work, is to do a design study for the company for a large rigid airship of about 50m. cubic feet capacity and perhaps a speed of 100 knots, which would go out to, say, North Africa supported by hot air as the lifting medium, and then fill up with methane gas (which is half the weight of air) as the lifting medium for the return journey. This would be discharged in Britain, and the cycle repeated.

The beauty of this, from the point of view of the oil company, is that it avoids the expense of having to build a liquefaction plant at the site of the gas field—liquefaction being a necessary part of present methods of importing natural gas. If the airship idea works, it could also make economical small gas fields that are at present not viable propositions to tap.

Most other ideas for reviving the airship revolve around the use of them for freight purposes, using them to lift large loads over long distances. There is a Parliamentary Airships Group, chaired by Mr. Raymond Fletcher, MP, and an Airship Association of people and firms interested in reviving this method of transport, which was abandoned after the airship disasters of the 1930s.

Some of the argument revolves around what type of airship to build—a fairly conventional one, or one relying on new materials. I understand that Sir Barnes may see his methane-import airship as a step to further uses.

Cashing in

Mr. Dom Mintoff, Malta's Labour Prime Minister currently wrestling with Britain and NATO over the future of the island's naval base, has found a new saleable asset. When the 1,200 students return to the Royal University of Malta next October, they will find 700 Libyan students there as well. Col. Muammer Khedaffi's revolutionary regime in Libya will be footing the bill.

The Joseph style

True to form, Mr. Maxwell Joseph turned up unheralded at yesterday's annual meeting of Truman Hanbury Buxton, the brewers he hopes soon to control in spite of all the efforts of rival bidders Watney Mann. Unlike a number of other businessmen I could mention, he brought no entourage with him—just Margaret Noel, his right-hand-woman at Grand Metropolitan Hotels.

Joseph stepped out of a taxi unrecognised by the 30 or so shop stewards who were picketing the meeting with the banners carrying messages like: "All the way with Maxie J," and "Best Bet, Grand Met." and anti-Watney slogans such as "Watney Red, Truman Dead," and "Don't bit the Pale Trail."

Two women employees handed out a statement giving "The Employee's Case," couched in such conservative and thoughtful language that someone suggested, tongue in cheek, that it must have been written by S. G. Warburg, Grand Met.'s financial advisers. Warburgs later denied this, but admitted: "The banner slogans were certainly in our prose style."

City's man for Sports Council

Our poor showing in the European Games is not the only subject of controversy in British athletics. The other is the new Sports Council (unveiled last week by Mr. Eldon Griffiths, with Dr. Roger Bannister as chairman) and how it will fit in with the Central Council for Physical Recreation. The idea is that the Sports Council will use the CCPR staff and facilities as its executive machine, financing it with some of its £4m. budget while the rest goes in direct grants. But the CCPR has yet to decide whether this is what it wants, and a supplementary question is whether Mr. Walter Winterbottom, general secretary of the CCPR, will accept his nomination as director of the new council.

The two City men on the CCPR who have already accepted jobs on the Sports Council are Mr. Laddie Lucas, of the GRA Property Trust, and Mr. Robin Brook, chairman of the Ionian Bank and much else besides. Brook's view of the CCPR, as its treasurer, is that it is "in its own sphere a very efficient body." But he acknowledges that there must be a "shift of activity" for CCPR, even though there is a "risk of depreciating the voluntary element, while creating another corner of a Government department." Nevertheless, Brook will put his weight behind the new council. This makes one ask, how can he afford the time?

Brook fenced for Britain in the 1948 Olympics, when he was also the youngest director of the Bank of England. Apart from the Ionian Bank, he is vice-chairman of United City Merchants and head of its Gordon Woodroffe subsidiary; a Government director of BP; chairman of the Leda Investment Trust and of Truscon: director of several other companies and president of the London Chamber of Commerce. For his spare time, there are hospital boards and the Family Planning Association, where he is treasurer, while his wife, in the same field, runs the sometimes controversial Brook Advisory Clinics. "The main thing is to make a point of resigning from a couple of things a year," says Brook.

Travel broadens the mind

The scene is a public inquiry into the M25 motorway, as reported in the *Esher News*. "Mr. Fortescue referred to the moral danger faced by the girls at Little Bookham Manor School if lustful Continental lorry drivers were allowed to pass their school doors.

"The temptation to Continental drivers with the roads of England open to them passing by the doors of a girls' school with the attractions of English womanhood within reach, even in this permissive society, is something which my clients' governors and the parents of the school would find hard to accept and the end of the school would be in sight."

Observer

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The prospects for cheap air travel

Michael Donne discusses Lufthansa's last-minute 'No' to an IATA fares package for the North Atlantic route

ALTHOUGH the North Atlantic airlines' Montreal fares conference was shattered late on Wednesday when it was almost on the verge of success in achieving a new fares plan for the route, there are still hopes that the scheduled airlines will be able to bring in cheaper travel from Next April 1. Between now and next April 1 is a long time in air transport politics, and almost anything can happen between now and then. Although the possibility of a "fares war" obviously cannot be ruled out, to suggest that it is certain to take place would be premature, to saye the least.

Bitterness

There are several reasons for this, despite the inevitable bitterness in air transport circles at the last-minute action of Lufthansa, the West German airline, in voting against a fares "package" that IATA says had already been broadly agreed to in principle and which was to have included a new, cheap Advanced Purchase Excursion (APEX) fare on the route. The Montreal conference, which had been in continuous session since the end of June, has now been formally closed, but the "package" of fares agreed by the other 23 airlines directly involved will remain on the table until September 1, to give the only dissenter, Lufthansa, time to reconsider its decision.

The Lufthansa action in voting against the overall fares package at such a late stage in the proceedings—after more than six weeks of intensive negotiations — has mystified many in air transport circles. They frankly admit that they cannot see what advantage Lufthansa hopes to gain, when all the other airlines involved have decided, admittedly some of them rather reluctantly, to accept the basic package so painfully hammered out.

Lufthansa yesterday vigorously defended its decision not to go along with the Montreal proposals, and it made it clear that this was not because it felt the new APEX fare was too low—it has strong ideas for cheap fares of its own—but that it felt the entire "package" of Montreal fares would serve only to complicate further the already complex structure of North Atlantic rates when its avowed aim has always been to try to get that structure simplified.

Privately, there are probably a number of other North Atlantic airlines who feel the same way as Lufthansa, and it is possible that they may now either openly or tacitly side with that airline. But, in the voting at Montreal over the past two days, it is significant that these other potential dissenters thought it wiser to go along with the bigger airlines.

The result was that, while some of them did express dissatisfaction with some parts of the "package" — some wanted the new group inclusive tour and youth fares introduced this winter rather than next April—overall the other 23 airlines directly involved decided to vote in favour of the whole package rather than throw the situation wide open all over again.

It now seems clear that over the next three weeks, Lufthansa will be subjected to intense diplomatic pressures from other Governments, particularly in the U.K. and U.S., to change its mind. If it decides to do so, the "package" can still be unanimously adopted, and brought into effect from next April 1. But if Lufthansa decides to continue with its objections (and yesterday its attitude appeared to be very firm) the package will be formally dropped by the International Air Transport Association, and an "open-rate" situation will officially prevail from next April 1, in which every airline on the route will be free to charge what it likes.

Turning point

It is at that moment that the North Atlantic fares situation reaches its real turning point. For it seems clear that, having fought bitterly for over six weeks to achieve a package involving some radically cheaper scheduled fares on the route, the other airlines are not going to let them go. The other big operators such as BOAC, Air Canada, Pan American and Trans World, will be almost certain to decide among themselves to implement the fares already agreed in principle at Montreal—or at least to bring in from next April 1 fares that are not too removed from them.

BOAC in particular, having originally pledged itself publicly to the introduction of a fare of about £75, London-New York return, and having given way a little at Montreal and approved the introduction of an APEX fare of around £83, is certain to go ahead with a fare somewhere between those two levels, even if it does not decide arbitrarily to go ahead with its original £75 fare proposal.

BOAC, in fact, would really have no alternative, for its own pressures for cheaper fares at the Montreal talks were not only dictated by its recognition of the need for cuts in order to stimulate new traffic on the scheduled routes and to try to beat off charter competition, but also by pressure from the U.K. Government. It has become clear in recent weeks that, even before it went to Montreal, BOAC was told by the Government that if it did not, or could not, introduce cheaper fares the Government itself could not guarantee to continue to protect it against the growth of charter competition.

In other words, the U.K. Government was telling BOAC that it could no longer ignore the rising tide of public opinion in favour of cut-rate charters, and that sooner or later it would be obliged to relax the rules governing their operations. The reason for this is, quite simply, that something like one-third of all passengers flying to and from the U.K. already travel on either charter flights or inclusive tours of one kind or another, and the proportion is growing.

At a meeting of members of the European Civil Aviation Conference in Paris in early June, the U.K. Government also spelled out its attitude to other European and U.S. airline authorities. Thus, every major airline on both sides of the Atlantic went to the Montreal conference at the end of June knowing what was in the U.K. Government's mind. This attitude strengthened BOAC's already firm decision at the talks to refuse to take 'no' for an answer in its bid for lower fares. Throughout the conference, therefore, BOAC has pushed for cuts, and has been one of the airlines largely responsible for the decision to include the cheap APEX fare in the proposed new package.

At the same time, the U.S. Civil Aeronautics Board made it clear to the big U.S. scheduled airlines, Pan American and TWA, that it wanted to see cheaper scheduled fares on the North Atlantic. This resulted in a line-up at Montreal of Pan Am and TWA behind BOAC, with Air Canada also joining in.

No alternative

Accordingly, in the event of any "open rate" situation emerging from next April 1, the "big four" are almost certain to go ahead with cheap fares on the route, at either the levels they have been prepared to accept at Montreal or levels close to them. They really have little alternative. The whole objective of the Montreal talks was to try to get some realistic new low level of fares in order to stave off the growing threat from charter competition, and the fact that they have failed to achieve a unanimous package of new fares does not alter the fact that the spectre of charter competition is still there.

Whatever course of action the Big Four decide upon is also almost certain to be adopted by many of the other, smaller scheduled airlines on the route. They could hardly do otherwise, for they would face the threat of being driven out of business.

It is at that stage, too, that Lufthansa would have to reveal in detail what it was going to do on the route. It is certain that the West German airline would introduce low fares of its own, to suit its own market requirements—and it is always possible that these might undercut those being offered by the "big four" and others. But this would only serve to intensify the "open rate" situation, and there are few in air transport who believe that this is what either Lufthansa or any other airline really wants to see. Accordingly, there are many who believe that despite what it is now saying so firmly Lufthansa may eventually modify its stand.

In any case, it is being pointed out already in air transport circles that even if Lufthansa does not change its mind by September 1 and an "open rate" situation becomes due to prevail from next April 1, there is still the intervening gap of seven full months in which all the existing fares will be maintained and in which there will be time for diplomatic activity in a bid to resolve the situation.

The IATA has been in "open rate" situations before, and has survived them. It has had difficulties in fares-making conferences, particularly relating to the North Atlantic, on many occasions over the past 20 years, and has overcome them—admittedly sometimes with the direct intervention of governments. Most observers feel that in the present situation, the harsh realities of the growth of charter competition are likely over the next few months to ensure that ultimately common sense will prevail.

Accordingly, it does not seem likely that any massive "fares war" as such will ensue. While there might be some differences in the fares that each airline would offer in an "open rate" situation, past experience in other parts of the world has shown that these tend to be marginal — certainly, so far, no scheduled airline has yet gone bankrupt because of the existence of an "open rate" situation. Nor would they be likely to on the North Atlantic, for such is the prestige of the route that governments would probably be prepared to come to the aid of their flag airlines.

Pressures

But governments, by and large, do not like becoming enmeshed in fares negotiations, and still less in fares controversies. They prefer to leave such things to the IATA itself—which is one of the best reasons for expecting the long-term continuation of that association—it is too convenient for it to be allowed to collapse.

Thus, while there will be undoubted political and diplomatic pressures on Lufthansa to come back into the North Atlantic fares package, it may well be left to the IATA and its member airlines, through discussions at chairman and chief executive level, to try to persuade a change of heart. A world-wide IATA fares conference is due to start in Miami in September, and it is probable that attempts will be made there to get Lufthansa to change its mind.

THE MONTREAL FARES PACKAGE

—examples of some of the main fare changes proposed, with (where appropriate) examples of current fares.

ADVANCED PURCHASE EXCURSION (APEX):

London-New York:				
Basic (9 months)	$199 (£ 83)		Off-peak	$272 (£113.35)
Peak (3 months)	$249 (£104)		Peak	$332 (£138.35)
London-San Francisco/Los Angeles				
Basic	$314 (£131)		Off-peak	$457 (£190.45)
Peak	$364 (£152)		Peak	$738 (£307.50)

WINTER GROUP INCLUSIVE TOUR FARE

London-New York	$210 (£87.50)
Paris-New York	$230 (£96)

YOUTH FARE (12 to 21 years)

London-New York (return)	$195 (£ 81)	basic
	$225 (£ 93)	peak
London-Miami (return)	$288 (£120)	basic
	$316 (£131)	peak

Existing first-class and economy excursion fares unchanged, but minimum period of validity of the latter reduced from 17 to 14 days. Some reductions also proposed in existing 29-45 day economy excursion, group inclusive tour and affinity group fares.

Labour News

Engineers may press for 30% increase

BY MICHAEL HAND, LABOUR CORRESPONDENT

YORK, August 12.

MOVED by the CBI prices ...policy and appeals for wage ...raint, engineering unions ...ers representing 2.5m. ...ual workers will begin to ...ue their first industry-wide claim for three years when ...meet the employers in a ...night's time.

...hey made it clear at the ...onal executive meeting of ...Confederation of Shipbuild... and Engineering Unions here ...ay that the CBI's initiative ...ld make no difference to ...r demands.

...allenge

...lthough the Confederation is ...disclosing how much it wants, ... Engineering Employers' ...eration could be faced with ...aim of around 30 per cent., ...ing by the expressed ambi...s of some of the individual ...ns. It will be the biggest ...lenge so far to the Govern...t's pay strategy.

...August 26 the Confedera... will present the EEF with ...arguments in support of a massive eight-point claim, headed by a demand for a "substantial" increase for all categories of workers and improvements on all minimum rates from January 1, when the present three-year deal expires and the skilled rate in engineering will stand at £19 for a 40-hour-week.

The unions' "shopping list" also includes a 35-hour week, longer holidays with more pay, equal pay for women, improved lay-off pay and bigger overtime payments. They say the new agreement must include a clause stating that it is not legally binding and that there should be no productivity strings.

On September 15 the Confederation will meet the employers again to discuss the unions' plan to give three months' notice that they intend to cancel the industry's 50-year-old agreement governing the procedure for settling labour disputes. The Confederation is pulling out because it has been unable to agree with the employers on terms for a new procedure agreement.

Postmen seek support against pay curbs

BY ROY ROGERS, LABOUR STAFF

...000-strong Union of ...Office Workers is to try to ...financial and physical" sup... from the TUC for unions ...ing the Government's ...pts to restrict the level of ...rises in the public sector.

...ntained in an amendment ...resolution on the agenda for ...TUC congress next month, ...proposal would appear to be ...he TUC to back, by means ...icketing and sympathy strikes, ...st case confrontation be... the Government and one ...e public sector groups.

...crimination

... UPW amendment to a ...m from the National Union ...achers calling on the TUC ...e its full resources to pre... public sector discrimination, ..."including, if necessary, ...organisation of financial and ...cal support for unions re... public sector pay de...ation providing such a ...e is approved by the general ...il."

...position to the Govern...s attempts to curb public ... pay settlements will be ...sed to-day at a TUC con... of unions representing ... than 6m. public sector ...rs.

...anged following a recent ...ng of leaders of unions operating in nationalised industries, called by Sir Sidney Greene, general secretary of the National Union of Railwaymen, the meeting will consider how public sector pay claims can be co-ordinated to prevent unions being picked off one by one as they clash with the Government's pay strategy.

The public sector takes in such workers as busmen, railway workers, Post Office employees, teachers, local authority workers, and employees of the Gas Council, Electricity Council and the British Steel Corporation.

More Labour News Page 24

FISONS GIFT TO NATURE TRUST

The Cheshire Conservation Trust has accepted an offer by Fisons, the chemicals and pharmaceuticals group, of 20 acres at Danes Moss, Macclesfield, as an outright gift.

It is understood that the Trust, with advice from its own experts and the Nature Conservancy, intends to recreate the original heathland character of Danes Moss to conform as closely as possible to its 100-year record of the area. It is hoped that, in time, it will become a nature reserve of characteristic peatland plants and animals.

SURVEYS NEXT WEEK

...surance and the EEC	Monday, August 16
...fghanistan	Tuesday, August 17
...uilding Societies	Saturday, August 21

Northolt exhibition centre inquiry

BY HAROLD BOLTER, INDUSTRIAL CORRESPONDENT

A PUBLIC inquiry has been called by Mr. Peter Walker, Secretary of State for the Environment, into the Lyon group's planned development of a £21.5m. London exhibition centre near Northolt airport.

Announcing that he had called the project in for his own decision, Mr. Walker pointed out in a letter to the Greater London Council yesterday that there had been considerable local objection to the proposed development.

He explained that as the scheme was of more than local importance and as it involved a substantial departure from the approved development plan, in which the site is shown within the green belt, he felt that it was a planning application which he ought to decide himself.

Mr. Walker said that he would consider particularly whether the case for the centre was so strong that it justified the substantial departure it represented from the approved plan: the effect it would have on amenities of the area and on traffic using the A.40 and other roads in the area: and the adequacy of public transport facilities. The date of the inquiry will be announced as soon as possible, he said.

Mr. Walker is expected to announce his decision on the Birmingham scheme for a £12.5m. national exhibition centre at Bickenhill, Warwickshire, the rival project to Northolt, in October. A public inquiry into the Birmingham plan closed on June 25.

Both the London scheme and that for Birmingham are for exhibition centres covering 1m. square feet.

The Government has already indicated that it is prepared to provide up to £1.5m. towards the cost of the Birmingham scheme, which is sponsored by Birmingham Chamber of Commerce and Industry and Birmingham Corporation through a company called National Exhibition Centre.

The GLC has said that it will contribute up to £10m. towards the Lyon group's development at Northolt if it is approved by Mr. Walker.

UCS: unions may follow CAWU lead

BY MICHAEL HAND, LABOUR CORRESPONDENT

YORK, August 12.

OTHER unions are expected to follow soon the unprecedented lead of the clerical workers in deciding to pay members at Upper Clyde Shipbuilders who decide to stay at their jobs in the yards after being made redundant.

Mr. Roy Grantham, general secretary of the 125,000-strong Clerical and Administrative Workers Union, canvassed support for this move when the national executive of the Confederation of Shipbuilding and Engineering Unions met here to-day. Afterwards he said: "I am confident other unions will follow suit."

CAWU members will receive the same as if they were on official strike—£4 a week—and this will be augmented by money coming in from voluntary collections.

The unions point out that if men join the "work-in" after being dismissed they will not qualify for redundancy pay or unemployment benefit.

"We are fashioning a special tool to deal with a special problem," Mr. Grantham said. Some 500 CAWU members worked at UCS, about 50 of whom the union expects to lose their jobs in the first wave of redundancies.

Prominent issue

On Saturday, the national executive of the Left-wing Draughtsmen's and Allied Technicians Association (part of the Amalgamated Union of Engineering Workers) is expected to adopt a similar policy to CAWU's. The AUEW engineering section will make its decision next Tuesday.

This is the day on which the UCS unions will consider the TUC proposal that the Government should be asked to set up a Clydeside Development Authority to develop the area's full economic potential.

But union leaders expect their revolutionary strike pay plan will also figure prominently in the debate.

● The TUC proposal for a Clydeside Development Authority, whose first task would be to take over UCS, was supported yesterday by the Transport and General Workers' Union, writes Alex Hendry.

The union's finance and general purposes committee also endorsed the decision of the Scottish regional committee to donate £1,000 to the UCS campaign.

Mr. Jack Jones, TGWU general secretary, said later: "If there is a massive endorsement of the TUC proposals for the Authority —and I think there will be—then the Government will be encouraged to listen to what we have to say."

"Clash" threat

Andrew Hargrave writes: The fate of vessel No. 121, the "Clyde" ship which could be an early point of conflict between Mr. Robert Smith, liquidator at Upper Clyde Shipbuilders, and the shop stewards operating the now fortnight-old "work-in," is to be discussed within the next 10 days with the owners, Haverton Shipping.

The keel is being prefabricated at UCS's Linthouse steel factory. It was originally scheduled to be built at the Scotstoun yard, but as Scotstoun was to be closed under the Government's reorganisation scheme, the liquidator had intended to switch the ship to the Govan yard. The shop stewards opposed the switch.

NEW LEAFLET ON NORTHERN SE

THE Northern Stock Exchange has issued a new leaflet entitled Make Me a Prire to clarify for the new investor how business is transacted in the stock market.

This leaflet, available free of charge, is the fourth in a series of publications produced by the Exchange to meet the demand for information about how the exchange works. It highlights the functions of the jobbers who are becoming increasingly important on the NSE.

Cadbury closing cake factory

BY OUR OWN CORRESPONDENT

BIRMINGHAM, August 12.

PRODUCTION at the cake factory of Cadbury-Schweppes at Blackpole, Worcester, is to be run down and the works closed next April.

The workers were told to-day that 680 of them—mainly women—would be made redundant. The planned closure follows the merger of the cake interests of United Biscuit and Cadbury-Schweppes last July.

A statement by Cadbury-Schweppes said it had become clear that operations would be conducted with substantially more efficiency in fewer factories. The greatest overall economies would be achieved by concentration of production at factories in London and Liverpool.

Everything possible would be done to mitigate hardship.

Forty to 50 men at the New Cross (South London), factory of UG Glass Containers are to be made redundant, following the closure of a furnace for making blue glass, the market for which has diminished.

COMPANY NEWS + COMMENT

Nottingham Manufacturing's profit growth

MANUFACTURERS OF hosiery, outerwear, etc., The Nottingham Manufacturing Company reports an increased pre-tax profit of £2,504,000, against £2,155,000, for the half year to June 30, 1971. The figure for the year 1970 was £5,834,490.

Net profit for the half year was £1,502,000, (against £1,266,000—adjusted to reflect reductions in the rate of corporation tax).

Having regard to seasonal factors, sales and profit for the first six months are normally less than those of the second, the directors state.

The interim dividend is stepped up from 4 to 6 per cent. to reduce the disparity with the final. The 1970 total was 21 per cent.

● comment

As usual Nottingham Manufacturing has produced some good half-time figures—up by a sixth this time—but has left the market to guess what lies behind them. However, given that last year's second half was only 5 per cent. up, being affected by the reorganisation of acquisitions, the latest results add up to an encouraging return to normal growth. With consumer spending reviving, and only some relatively poor figures to beat, the group has scope to do well in the second half. The main doubt about NM has lain in its comparatively small share of the fast growing double jersey and cut-and-sewn sector, which is a threat to the group's stronghold in fully fashioned knitwear. Order books years long at Bentley Engineering, the major supplier of knitting machinery, could have delayed efforts by NM to expand in jersey knitwear, but trade gossip has it that the group has got round this problem. If so, medium term prospects would be bolstered, and a prospective p/e of 20 at 327p—assuming £6.75m. pre-tax this year against £5.82m.—would look reasonable.

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INDEX TO COMPANY HIGHLIGHTS

Evode holds its profit

MANUFACTURERS of adhesives, jointing compounds, etc., Evode Holdings is maintaining its interim dividend of 4 per cent. for the year to September 30, 1971. The 1969-70 final was 11 per cent.

Pre-tax profits in the 27 weeks to April 3, 1971 improved to £302,581 compared in £288,530 in the 1969-70 first half. Profit for all last year was £706,740.

Despite the impact of the postal strike all divisions, with one exception, showed improved results, the directors state. Due mainly to research and development expenditure into new fields, and delays in investment by industry, profits of the engineering division were reduced to about half of those for the comparable period.

Current sales and profits in all divisions are showing a pattern similar to that of previous years, the engineering division having regained some of the ground lost.

● comment

Although Evode's 5 per cent. pre-tax profit increase appears staid (and almost duplicates the performance in the corresponding period in 1969-70) this has been achieved despite a postal strike, which delayed orders and despatch of finished products, and a setback in the engineering division which in 1969-70 was responsible for 10 per cent. of group turnover. However, indications are that the current six months' profits will grow fast enough to allow the 12 per cent. rate achieved in each of the previous six years to be repeated in 1970-71. Rising costs are the prime worry but Evode raised prices towards the end of 1969-70, and the CBI price curb pact should also help as far as raw material supplies are concerned. Evode's ultimate strength lies in its diversity, its products being supplied to industries as diverse as building and shoe-making. The shares dropped 4p to 126p last night, but a prospective p/e of 13.9 still reflects the belief that a seventh year of steady growth is in the offing.

Liden's first half recovery

WHITEWOOD furniture manufacturers, timber importers etc., Liden (Holdings), reports an improvement from £51,007 to £114,347 in first half profit and is paying an interim dividend of 5 per cent.

There was no interim for the year to November 30, 1970 but a final of 7½ per cent. came from profits of £214,446, compared with a total of 28 per cent. for the previous year when profits were £315,069.

The half-year's net profit came out at £69,250 (£26,990), after tax of £45,097 (£24,017).

Dividends of £3,597 have been waived by the Chairman and his wife.

● comment

Liden's 1969-70 second-half recovery has spilled over on to the current year with reorganisation effects still the driving force, for six-month sales were static. The group's reshuffle (completed July, 1970), has led to tighter production flows, a furniture range down from 300 to 205 items and a reduction of at least a tenth in the workforce. At the same time, there is a growing swing on the timber side towards service trading with Liden's docking, storage and kilning facilities at the disposal of other timber merchants. However, the current half starts to compare directly with a like post-reorganisation period so it is just as well that there are signs of an upturn in furniture sales; industry orders in April for instance, were put at £39m. for a rise of nearly two-thirds over April, 1970. If any uplift in consumer spending can work through to Liden's level, a p/e at 26½p of 8 (on past 12-month reported earnings) has ample scope for an upgrading, given a 1968 share price peak of 70p (and, of course, 1967-68 profits of £423,000 pre-tax).

Gala Cosmetic advance

FROM sales of £4.56m., against £3.88m., in the 24 weeks ended June 19, 1971, profits before tax of the Gala Cosmetic Group amounted to £386,000 compared with £281,000 in the corresponding period of 1970. For all that year, profits were £518,297.

The interim dividend is effectively raised from 3¾ per cent. to 4 per cent.—last year's final was 7½ per cent.

Net profit for the first 24 weeks was £247,000 against £178,000 after tax of £139,000 (£103,000).

Sales and profits for 1971 include the Nivea products transferred with effect from June 23, 1970 to Gala by Smith and Nephew Associated Companies—the ultimate holding company.

The comparative sale and profit before tax for 1970 also include the Nivea products.

● comment

After six months Gala is up 37 per cent. pre-tax on a sales rise of 18 per cent. That is an impressive follow up to the 1970 performance when profits ran 16 per cent. ahead of forecast, excluding the contribution from Nivea. This year profits thankfully are comparable, and yesterday the shares gained another 3p to 61p for a rise of 56 per cent. since March (when the 1970 accounts were published) against around a third by the market over the same period. That sort of strength was making Gala's rating look a trifle dizzy, but the 1971 six-month outturn takes some emotion out of the situation for a past 12-month p/e of 18½, fully laxed. At the cosmetics level there are presently few guidelines by which to gauge the impact of any consumer upturn, but Gala, with its Mary Quant lines and Nivea's domination of its own U.K. sector, is plainly working from a very solid base.

Statement Page 8

Colonel G. W. Raby, chairman of United Gas Industries, at yesterday's annual meeting in London, where he told shareholders of an upturn in sales and profits this year and of the sale of the Teddington Aircraft Controls subsidiary to Westland Aircraft for £930,000.

DIVIDENDS ANNOUNCED

	Current payment %	Date of payment	Corresponding div. %	Total for year %	Total last year %
F. Austin (Leyton)	15	Oct. 28	9	15	15
Beralt Tin & Wolfram int.	Nil	—	35	—	84
Burt Boulton	3	—	—	5	2
Evode int.	4	Sept. 21	4	—	15
GKN int.	†3¾p	Oct. 6	3¾p	—	12¾p
Gala Cosmetic	4	Sept. 30.	*3.33	—	*10.83
W. Henshall	Nil	—	7	Nil	7
Houchin	16	—	15	19	15
Imperial Metal int.	(d)5	Oct. 7	4	—	11
Jackson and Steeple	16½	Sept. 18	16½	29½	29½
Lambert Howarth int.	5	Sept. 17	3	—	10(c)
Liden (Holdings) int.	5	Oct. 19	nil	—	7½
Norcros int.	†2.2p	Nov. 27	2.08p	—	†5.625p
Nottingham Mfg. int.	(d)6	Oct. 28	4	—	21
A. E. Symes	8	—	9	13	13
Thompson-Reid int.	6	Sept. 30	6	—	16
Watshams	5	—	15	5	15
Westminster Trust	(e)Nil	—	6	nil	6

* Equivalent after allowing for scrip issue. † Amount per share. (a) Tax free. (b) On capital increased by rights and/or acquisition issues. (c) For 13 months. (d) Increased to reduce disparity. (e) 6 per cent. forecast.

Houchin earns and pays more

REPORTING pre-tax profits up from £124,997 to £207,028 for the year to April 30, 1971, the directors of Houchin are lifting the dividend by 1 per cent. to 16 per cent.

At halfway profits were showing a rise from £57,595 to £82,647, and it was hoped to maintain the improved trend.

The year's results include profits of Air Transport Charter from October 1, 1970 to April 30, 1971, amounting to £15,296. Dividend for the year has been waived on 978,129 Ordinary shares.

	1970-71 £	1969-70 £
Turnover	1,589,567	1,340,992
Profit	207,028	124,997
Tax	83,667	54,600
Net profit	123,361	70,397
Ordinary dividend	50,177	46,157
Preference	1,680	1,680
Retained	71,504	22,560

The group makes ground equipment for the electrical servicing, loading and starting of aircraft.

● comment

Hopes of a substantial recovery by Houchin in 1970-71 must have been high at the half-way stage when profits were some 41 per cent. to the good, but the outcome, a gain of 66 per cent., is probably even a little better than anticipated. The group now appears to be on top of its pricing policy, which is imperative given the large size of individual orders in a comparatively small total turnover, and with some improvement in the production methods, margins have shown a healthy increase at 13 per cent. against 9.3 per cent. Maintaining margins at this level should be well within the group's capabilities, a bullish point, since the order position is well ahead. On top of this there will be a full year's contribution from Air Transport, which could amount to between £40,000 to £45,000 pre-tax. Not that this means the shares are going to romp away for a lot is discounted in the 13½ p/e at 79p.

Lilleshall to hold 25%

REPORTING pre-tax profits of £143,086, against £141,747, for the half-year to June 26, 1971, the Earl of Granville, chairman of the Lilleshall Company, says second-half results should be favourable enough to support a dividend similar to last year's 25 per cent.

As known, the interim dividend is again 12½ per cent. Profit for the full year to January 2, 1971, was £285,076 before tax.

	Half-year 1971 £	1970 £
Trading income	216,399	198,368
Depreciation	45,295	36.129
Bank interest	28,018	20,490
Profit	143,086	141,747
Tax	55,250	63,787
Net profit	87,836	77,960
Dividends	31,500	31,500
Group surplus	56,336	46,460

The Telford (Salop) based group is concerned with steel rolling, stockholding, industrial housing, etc.

NEW DIVISION FOR ALLSPEEDS

Allspeeds, the main subsidiary company of Allspeeds Holdings, power transmission engineers specialising in variable speed drives, announces the formation of an electronics division.

This will initially be concerned with the design, development and manufacture of a range of electronic controls and equipment for use with the company's main product—the Kopp variable speed drive. Later it is intended to broaden the scope into the more general control field.

Intnl. Combustion improves

A PROFIT, before tax, of £396,000 is reported for the International Combustion (Holdings) group for the nine months to June 30, 1971. For all of the previous year to September 30, 1970, the figure was £155,000.

There was a trading profit of £177,000, compared with a £179,000 loss, and the directors expect the improvement shown will be maintained during the remainder of the year.

But, in the light of the present need to build up reserves, it is not anticipated they will recommend any dividend in respect of 1971. The last payment was the 3 per cent. interim for 1968-68.

In June last, the directors recalled the reference made in their last report to the increase in profitability expected to result from efforts being made to streamline the organisation and to effect economies, and said the trend of results for the first six months indicated favourable progress.

As announced, the next accounts will include the group's share of earnings from associated companies, instead of taking into account only the dividends actually received, and will cover 15 months to December 31, 1971.

	Nine mths 1970-71 £000	Year 1969-70 £000
Trading profit	177	*179
Trade invest. income	219	334
Profit	396	155
Estimated tax	62	108
Profit after tax	334	47

* Loss

● comment

Some improvement in International Combustion's trading position was intimated by the chairman last March so the swing to profits after nine months is no great surprise. Though the road to recovery is obviously going to be a long haul the group does appear to have turned the corner. This may be due to the closer ties with Combustion Engineering but anyway the shares, which have come up from a low of 9½ to 14½p at least now have a firmer basis.

Watshams loss: dividend cut

A pre-tax loss of £44,054, compared with a previous profit of £13,653, was incurred by Watshams in the year to March 31, 1971, and the dividend is cut from 15 per cent. to 5 per cent. paid from reserves.

Directors explain that the loss—which was forecast in the interim statement—was incurred mainly in the first half and due principally to terminal losses of the heating company which has ceased to trade. The outlook for the group's traditional activity, transmission-line work is more encouraging than for some years, with the order book in excess of £4.5m. they add.

It is not possible to forecast the likely results for 1871-72 at this stage, as so much depends on completion dates for contracts. Nevertheless they anticipate it should prove possible to increase the dividend next year.

	1970-71 £	1969-70 £
Turnover	1,222,162	1,165,494
Trading profit	6,350	13,653
Development expendtr.	‡13,036	—
Loss heating sub.	37,368	—
Loss before tax	44,054	*13,653
Tax	629	4,478
Minorities	736	2,803
Group loss	45,469	*6,372

* Profit. ‡ Flooring subsidiary.

UNIT TRUSTS

Two new funds from Pearl Montagu

Pearl Montagu Trust Managers announces the launching of two new funds to complement its existing general fund, Pearl Montagu Unit Trust. These new funds are P and M Growth Fund, investing in situations offering prospects of exceptional growth, and the P and M Income Fund, which is primarily interested in companies giving high dividends.

Both funds will be on offer from to-day until the end of the month at the initial offer price of 25p per unit: it is not intended to promote these funds by means of a major advertising campaign at this stage.

In each case investments will be largely in the U.K., and the estimated gross starting yield on the Growth and Income Funds is 2 per cent. and 4½ per cent. respectively. The minimum initial purchase in the Growth Fund is £1,000 and in the Income Fund 1,000 units.

In September, 1968, at the time of the original launch, it was stated that more funds could be expected, but the launch of the new funds has been delayed because of Stock Market conditions and the low level of unit trust sales. The existing fund, Pearl Montagu Unit Trust, rose 41.6 per cent. between September, 1969 and the end of July this year compared with a 38.1 per cent. gain by the F.T. All-Share.

Pearl Montagu Trust Managers is jointly owned by Pearl Assurance Company and Samuel Montagu and Co.

HAMBRO SMALLER COMPANIES FUND

Hambros Unit Trust Managers announces that the income distribution, payable August 15, in respect of the Hambro Smaller Companies Fund for the half-year to June 30 will be 1.9p net per share, compared with 1.79p for the corresponding period of 1970.

During the half-year the offer price of the units rose 19.04 per cent. compared with a 23.26 per cent. gain by the FT All-Share index. The managers point out that though the smaller company will benefit from the strong rise in the equity market their share prices are slower to react in a fast rising market as investors' first attention is towards larger and better known companies. However, the managers feel there are considerable attractions for investment in the smaller company.

BRITANNIA BASIC COMMODITIES

From August 14 the name of Jessel Britannia Group's Britannia Basic Commodities Fund is changed to Britannia Commodity Plus Unit Trust.

ISSUE NEWS

GILLETT BROTHERS

Gillett Brothers Discount Company announce that underwriting has been completed in respect of an open offer to Preference and Ordinary holders of £750,000 10 per cent. Subordinated Unsecured Loan Stock 1991/96 (carrying the right to subscribe for Ordinary shares) at par.

Following the one for seven scrip issue to Ordinary holders to be made on September 3, the Loan Stock entitles holders to subscribe for Ordinary shares in each of the years 1973, 1974 and 1875 at the rate of 18 shares for every £100 stock at a price of 300p per share.

The issue has been underwritten by Hoare and Co., Govett.

EVA INDUSTRIES

The Board of Eva Industries proposes a scrip issue on the basis of one new Ordinary 5p share for every 5p unit held on December 31, 1971. At the same time the Ordinary share capital will be consolidated into 25p shares.

WORLD BANK

Baring Brothers and Co., announce that in connection with the issue by the World Bank of £10m. 8 per cent. stock 1978 applications for nearly £17m. of stock were received.

The basis of allotment will be as follows:—

Application	Allotment %
up to £25,000	100
" £100,000	85
" £750,000	65
" £1m.	50
over £1m.	44.6

Letters of acceptance will be despatched to-day for dealings to start on Monday, August 16.

Bird (Africa)

A report was made to shareholders of Bird and Co. (Africa) on the subject of nationalisation, at yesterday's annual meeting.

This said the Tanzania Budget statement of June 17 refers to the Debenture stock originally issued by the company and which has become a liability of the Tanzania Sisal Corporation as a result of the Act passed in October, 1967.

It is now stated, the report added, that "it will not be possible to deal with the claims of Bird until after the liabilities in the form of the Debentures issued by that company have been met by the Tanzania Sisal Corporation." The final payment to Debenture holders is due not later than May 31, 1973.

Although satisfactory that Tanzania Sisal is fulfilling the commitment to repay Debenture holders, the directors are "disappointed" at the attitude so far adopted by the Tanzania Government with regard to compensation due for the assets taken over at the same time.

No formal offer has ever been put forward by the Government to the Board, it is stated, despite the clause in the Act passed in 1967 which promised full and fair compensation.

The Board is, however, continuing efforts to reach agreement as to the amount of compensation to be paid even though the Tanzania Government have indicated that immediate payment will not be forthcoming.

Meeting Page 10

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GKN first half slip: interim held

ALTHOUGH first half net attributable profits from Guest Keen and Nettlefolds have contracted from £11.37m. to £10.29m., the directors are "in no sense pessimistic."

They believe that the second half should be better than the first, but still regard it as imprudent to make a firm forecast of a further improvement upon the record achieved in 1970.

The interim dividend is held at 3.75p per £1 share; the 1970 final was 9p.

A significant change affecting first half comparison of results arises because, since the beginning of the current year, the group's interest in Uni-Cardan has increased from 39.5 per cent. to 58.7 per cent., in Presmet Corporation (U.S.) from 33.6 per cent. to 100 per cent., in Bound Brook Italia from 50 per cent. to 100 per cent., and they have now been treated as subsidiaries.

For the first half of 1971 their total turnover and profits at each stage in total consolidated profit are included: profit attributable to outside holders in respect of the year being eliminated thereafter. In 1970, as they were associated companies throughout, they were included in group results only from the profit before tax stage.

Ignoring this change and on a comparable basis, group earnings have shown improvement over the last half of 1970 and similarly "may not be regarded as unsatisfactory" in relation to the good figures for the first half of that year.

	First half 1971 £m.	First half 1970 £m.	Year 1970 £m.
Turnover	292.36	249.09	485.23
U.K.	213.72	209.45	407.73
Overseas	78.64	39.63	77.52
Trading surplus	*23.09	19.64	37.53
U.K.	15.13	15.46	28.99
Overseas	7.96	4.18	8.54
Other income	0.37	0.32	1.02
Interest payable	3.89	1.47	3.41
Associates	2.15	4.40	8.01
Profit before tax	21.95	23.09	43.15
Taxation	11.10	11.04	21.04
Net profit	10.85	12.05	22.11
Exceptional credits	0.15	†0.09	†8.12
Outside holders	0.71	0.39	0.78
Attributable	10.29	*11.57	21.21

* After depreciation £10.25m. (£7.51m. and £14.67m.) † Debits.

In view of the circumstances at home, the directors regard as encouraging the trading surplus, which is materially better than for the last half of 1970 and comparable with the "excellent result" recorded for the first half of that year. However, profit before tax as influenced by increased interest charges was lower than in the first half of 1970, but higher than in the second half.

Overseas companies, which were subsidiaries throughout 1970, generally and viewed as a whole, improved upon previous year performance. The other overseas companies, now subsidiaries have also operated satisfactorily.

Profits less losses of associates show a marked reduction due partly to the change in accounting treatment, but principally due to a substantial down-turn at John Lysaght (Australia). Its results reflect a continuance of the reduced demand manifest during the latter part of 1970, uneven raw material supplies, cost increases, retarded selling price increases and expenditure associated with the new development at Westerport.

In contemplating U.K. prospects, the directors welcome the action recently taken by the Government to stimulate demand. However, it may be optimistic to assume that the group will benefit to any significant degree during the remainder of this year. Industrial relations must still be regarded as an unpredictable hazard.

Overseas, the expectation is that subsidiaries will generally maintain present levels of profitability. In the case of Lysaght (Australia) selling prices have been increased but this is unlikely to reflect any significant improvement in trading results in the shorter term.

See Lex

BIDS AND DEALS

Bovril sticking to Rowntree recommendation—no increase

Rowntree Mackintosh does not intend to raise its offer for Bovril following the higher bid by Cavenham on Tuesday. At the same time, the Bovril Board is still urging shareholders to accept the Rowntree terms.

Mr. H. Lawson Johnston, chairman, says the Board considers the securities offered by Rowntree represent a sound long-term investment, whereas they do not believe this is evident for Cavenham.

Giving reasons for recommending Rowntree, Mr. Johnston says that while Rowntree has projected profits of between £7.2m. and £7.5m., Cavenham has not quantified its forecast of "increased profits." In addition, he questions whether the recent Cavenham share price rise can be maintained.

Mr. Johnston says that Cavenham has had an irregular record of profits and losses and has not produced figures which enable an assessment to be made of how much of increased 1970-71 profits came from new acquisitions and how much from internal growth. "Cavenham's record is marked by a series of complex deals involving the purchase, sale or variation of interests in a number of companies," he adds.

Other arguments surround the relative contributions Bovril would make to each of the two bidders, the higher asset backing of Rowntree and the degree to which the businesses are complementary.

Also, says Mr. Johnston, Rowntree has substantial operations in the U.K. and in many overseas countries, while Cavenham is small in the U.K. and has its main overseas activities in France, Germany and the Netherlands.

Bovril Statement Page 17

SPIRAX-SARCO

Spirax-Sarco Engineering has completed the acquisition of 51 per cent. of the capital not already owned in the French concern Sarco S.A. for Frs.4.17m. (£313,000) cash. This was provided by a five-year external currency loan.

Sarco manufactures a range of products similar to those of Spirax-Sarco, the principal SSE subsidiary in the U.K. It is intended to expand the sale of these products and to rationalise further the operations of SSE in the Common Market.

CORNWALL SELLS EUROPA INTEREST

Cornwall Property (Holdings) has disposed of its interest in Europa Merchants, a wholly owned subsidiary, for £173,000 cash. Europa was acquired in March 1971.

Approaches made to other trade sources with a view to their acquisition having proved abortive, it is considered that the capital employed can be more profitably directed elsewhere, the directors state.

WESTMINSTER TRUST LOSS

The Board of Westminster Trust Holdings yesterday revealed the scope of widely anticipated losses for the year 1970. At the pre-tax level, including provisions for anticipated losses on contracts in progress, they were £1,367,635 against a profit of £329,341 the previous year. There will be no dividend for 1970.

At the half-way stage last October, the directors, headed by Mr. Walter Salomon, forecast the dividend would be maintained at 6 per cent. in spite of an expected shortfall in profits.

The results give a clue to the Board's decision to recommend the current £8.5m. offer from Land Securities Investment Trust.

However, LC Securities, which is leading opposition to the bid, maintained the scope of the losses did not come as a surprise. They knocked about 12p off the net asset backing for each Westminster share which LC believes is worth well over 100p compared with the Land Securities bid value of 80p.

LCS would press on with its attempts to have an extra-ordinary meeting of Westminster called so that holders could get more information about the deal by which the group acquired Thomas C. Stewart (Contractors), which appeared to be even more significant following the losses on the trading side last year.

It also seemed likely that the Westminster directors were aware some time ago that all might not be well in the trading business and yet nothing had been said about the situation since October or even when the bid was announced—holders might wish to use the meeting to ask questions on this point, LCS maintained.

	1970 £	1969 £
Net property income	817,193	843,360
Loss trading	136,359	*454,275
Profit flats sold	104.434	—
Less interest	702,873	520,946
Profit balance	81.565	776.690
Loan capital int.	454,500	447,349
Loss	372.635	*329.341
Provision	†995.000	—
Net loss	1,367.635	*329.341
Tax recoverable	61.530	†05.000
Dividend	—	128.697
From investment grant	103.326	—
Debit forward	859,731	§433.714

*Profit. †For anticipated losses to complete contracts in progress at year-end. ‡Charged. §Credit brought in, before £90,856 irrecoverable previous years.

UGI SELLS TEDDINGTON TO WESTLAND GROUP

FIRST quarter sales of United Gas Industries in the current year had shown a "considerable upturn," Colonel G. W. Raby, the chairman, told shareholders at the annual meeting. At the same time, he disclosed that the Teddington Aircraft Controls subsidiary had been sold to Normalair-Garrett (Holdings), part of the Westland Aircraft group, for £930,000 cash.

Colonel Raby explained that N-G had made an offer for Teddington at a price which approximated the net book value of its assets, after providing for relocation expenses. Since long-term viability in the aircraft industry could not be seen for Teddington, the Board had accepted. Of the purchase price, £500,000 is to be paid on signing of contracts and the balance in September, 1972.

Answering questions, Colonel Raby said that reports of a connection between UGI and North American Rockwell were not true. UGI had connections with Rockwell Manufacturing, which held options until May next year to increase its holding in UGI up to 35 per cent.

In its own statement yesterday, N-G said Teddington's business would be transferred to Yeovil and that it was intended to develop it alongside the existing complementary activities of N-G. It was expected that the addition to the current workload would lead to a useful contribution to overall profitability.

PALACE & DERBY SHARE DEALS

The Federated Trust and Finance Corporation announces agreement to sell on behalf of clients 58,821 7 per cent. Cumulative Redeemable Preference stock units and 734,000 Ordinary stock units of the Palace and Derby Castle, and £198,158 6 per cent. debenture stock 1989 in its subsidiary Palace Hotel and Casino, to Ardbeg, of Douglas, Isle of Man. No director of any of the three foregoing companies has any interest in any of the stock agree to be sold.

U.K. PROPERTY-

United Kingdom Property Company has entered into negotiations to acquire the capital of Thames Investment and Securities, an unquoted property investment and development group. The directors of U.K. Property are consulting their financial advisers.

JACKSON-HAYNES FORD & ELLIOTT

Last month it was announced that J. and H. B. Jackson intended to make an offer of 17p per share for the Ordinary shares in Haynes Ford and Elliott not owned by it. The Boards of both companies have since been in negotiation and Jackson has agreed to make, and the directors of Haynes Ford to recommend, an offer of 19p per share.

More Bids page 20

MINING NEWS

Wolfram slide hits Beralt profits

BY KENNETH MARSTON

HALF-YEAR net profits of Beralt Tin and Wolfram have fallen sharply to £248,128 from £544,451 in the first six months of last year when the total reached £1.1m. This halving in profits coupled with continuing capital expenditure has temporarily exhausted the company's cash resources and thus no interim is being declared. Last year there was a payment of 8.75p making 2tp compared with 17.5p in 1969.

The reversal in the Portuguese mine's fortunes is in line with the downturn that has come about in the market for wolfram; the current price of £16—£18 per metric ton unit of wolfram compares with the average of £27.83 obtained by Beralt in 1970. Nor have matters been helped by the company's, already reported, lower output of wolfram, tin and copper concentrates which has reflected difficulties in achieving the desired labour and machine efficiency coupled with some decrease in ore grades.

Still uncertain

No improvement is expected in wolfram over the next few months and Beralt says that in view of the current uncertainties both as to prices and demand it is not possible to forecast the outcome of operations for the full year. Looking further ahead, however, some wolfram market observers feel that there is a good chance of a recovery next year provided that there is a pick-up in the U.S. economy.

In the share market yesterday some buyers were caught on the wrong foot by the latest results when, after having moved up 5p to 240p, the shares dropped back to close with a loss on balance of 27p at 208p. A 44.3 per cent. stake in the company is held by Charter Consolidated.

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MISCELLANY

Surface specimens from Mount Arthur Molybdenum's prospect in the Cloncurry-Kuridala area of Queensland have assayed 1.4 per cent. cobalt and 5.1 per cent. copper.

Bridge Oil is to drill at depth for copper at its Coalfield and Sunday Wells prospects in Copley, South Australia.

North Deborah and Lefroy Minerals report that geophysical investigation of their Jaurdi claims at Coolgardie suggests a possible occurrence of sulphides at a depth of 200 to 500 feet beneath two anomalous zones. Only low metal values have been obtained from percussion drilling at the Karonie siding prospect.

South African Land and Exploration states that the underground fire which broke out near the gold producer's No. 3 shaft on Wednesday has been extinguished and normal production is to be resumed to-day.

JAPAN-PANAMA PROSPECTING

It is reported from Tokyo that the Japanese Panama Mineral Resources company has reached basic agreement with the Panamanian Government for a joint copper prospecting venture. The aim is to explore the Petaquilla, Botija and Medio mines which lie about 160 kilometres north of Panama City.

Total reserves of the three mines have been estimated at over 200m. tons with a low average copper grade of 0.6 per cent. The Japanese side hopes to receive 40,000 to 50,000 tons of copper concentrates a year in the event of a mining operation. Interested parties in the venture include Mitsui, Mitsubishi and Nippon Mining.

MINING BRIEFS

FABULOSA—July: Tin production 63 tons (June: 53 tons).

SOUTH MINE—BROKEN HILL—

	3 m'ths to June 30	12 m'ths to June 30
Crude ore treated (tons)	39,400	190,389
Lead concentrate (tons)	5,285	22,539
Lead (tons)	3,705	15,949
Silver (ozs)	236,972	1,041,225
Zinc concentrate (tons)	5,134	24,856
Zinc (tons)	2,636	12,776
Residues treated (tons)	51,263	266,000
Lead concentrate (tons)	1,848	9,111
Lead (tons)	671	3,908
Silver (ozs)	62,749	376,476
Zinc concentrate (tons)	1,809	10,316
Zinc (tons)	940	5,412
Development—	Feet	Feet
Driving and crosscutting	289	1,246
Winzing and rising	100	736

KINTA KELLAS TIN—July: Output of tin ore 58.16 long tons (June 52.68 tons).

ST. PIRAN MINING—July production of tin concentrates: Thailand and Malaysia 143 metric tons. U.K. South Crofty: tons treated 8,342, produced 82 tons (June: 148 and 86 tons respectively).

KADUNA SYNDICATE—Output of tin ore for July 44 tons (June 29 tons).

RAMAN HYDRAULIC—July output of tin ore 57.2 tons (June 47.2 tons).

HONGKONG TIN—July: 234 tons including 211 tons from joint mining area (June: 24 tons).

KILLINGHALL TIN—July 60 tons excluding half share from joint mining area (June: 57½ tons).

ASSOCIATED MINERALS—13 weeks to June 30. Rutile 32,734 tons, Zircon 38,885 tons, Ilmenite 1,138 tons, Monazite 14 tons. 53 weeks to June 30, 117,157 tons, 110,953 tons, 7,402 tons, 740 tons respectively.

Ultramar £1.5m. net in first half

NET profit of the Ultramar Company for the half year to June 30, 1971 was £1,510,000 against a restated £940,000 for the corresponding previous period, after tax of £417,000 (£407,000) and minorities, £18,000 (£13,000).

The directors say it is difficult to predict results for the second half mainly because of the uncertainty as to what contribution will be made this year by the Quebec refinery. It is anticipated, however, that second half group profits should be at least up to the level of the first half. Profit after tax and minorities for all of 1970 was £2,513,000.

The results for the 1970 half-year have been restated because of a retroactive increase in Venezuelan tax for the calendar year 1970 announced last December.

The California refinery was leased for five years beginning March 1, 1970 to Carson Oil Company, an independent company. Consequently, its throughput and sales from that date have not been included in operational results.

The first shipment of crude oil was pumped into the Quebec refinery storage tanks in early July and it is expected that about 2.5m. barrels of crude will be in the tanks by the end of August when the main crude unit will be in operation. The official opening of the refinery has been scheduled for October 1, 1971, and all processing units should be operable by that date.

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See Lex

Carlton Industries

In his statement as chairman of Carlton Industries, Mr. L. Roydon confirms the expectancy of a substantial increase in profits for the current year and maintenance of the 20 per cent. dividend on capital to be increased by the proposed one-for-eight scrip issue.

The scrip was reported on August 11 with the preliminary figures for the year ended March 31, 1971. These showed a pre-tax profit of £1.88m. (£1.68m.), reflecting acquisitions and a disposal. The 1969-70 dividend was 17½ per cent.

The exceptional debit of £14,974 comprised ex gratia payments to former employees £22,890, other items £2,971, less tax relief £10,887.

Goodwill has increased from £3.58m. to £7.18m., reflecting £1.41m. elimination on disposals, £3.46m. addition on revaluation of subsidiaries and £1.48m. on acquisitions.

Meeting, Winchester House, E.C., September 2 at 12.15 p.m.

Chairman's Statement Page 8

Jackson and Steeple profit expansion

An unchanged final dividend of 18¾ per cent. by cotton weavers, Jackson-Steeple, holds the total at 29¾ per cent. for the year to January 2, 1971.

Net profit increased to £84,200 from £30,748 after tax of £54,878 (£24,684) and including surplus on sales of fixed assets, £6,039 (£404); loan interest and investment income, £3,060 (£3,069) and minorities, £114 (nil).

Dividends absorb £26,040 (same). Meeting, Manchester, September 17 at noon.

London & Lomond

Net revenue available for the Ordinary capital of the London and Lomond Investment Trust was £192,816, against £194,490 for the half-year to June 30, 1971, after tax of £5,333 (£7,241). The figure for the full previous year was £422,954.

Gross revenue for the half-year declined from £271,520 to £261,902.

As known, the interim dividend is again 2½ per cent. Previous total was equal to 8½ per cent.

It is proposed to make certain alterations to the articles and to increase the rates of dividend on the 5 per cent. and 4 per cent. Cumulative Preference stocks to 5¼ per cent. and 4½ per cent. per annum respectively in consideration for a proposed increase in borrowing powers.

Net asset value per Ordinary 25p unit at June 30 was 83p (89½p at December 31, 1970) including the full dollar premium.

BRIGHT OUTLOOK FOR WOOL TEXTILES

After its period of adjustment and rationalisation, the wool textile industry would be in an excellent position to go forward, according to the Department of Trade and Industry.

The Department has rejected a plea by Mr. Ben Ford, Labour MP for Bradford North, for the Bradford area to be given "intermediate" status on the ground that unemployment rate was higher there than in neighbouring areas which had been so denigrated.

PROGRESS HOPES FOR £1.8M SALES

Progress Mercantile, a leading U.K. foam converter, said yesterday that with its new £250,000 factory at Bletchley, Bucks, coming on stream sales this year could reach £1.8m., rising to well over £2m. by the end of 1972, compared with the record turnover of £1.375m. in 1970.

SOUTH IS WORSE FOR OLD TYRES

Motorists in the North replace their tyres earlier than those in the South, according to a survey carried out by the Dunlop Tyre Company's mobile tyre safety centre.

Plymouth (9.8 per cent.), Bournemouth (13.3 per cent.) and Bristol (13 per cent.) had the highest percentage of tyres worn below the legal limit. The overall average was 7.4 per cent.

RECENT ISSUES

EQUITIES

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price p	+ or −	Div. % or Amount	Times Covered	Gross Yield %	P/E Ratio
[illegible]	F.P.	3/9	82	56	Allied Polymer	79	+1½	b18	1.3	5.7	13.7
[illegible]	F.P.	—	165	153	Berwick Timpo (£1)	157	.....	b6	2.6	3.6	10.6
[illegible]	75	16/12	79	67	Border & Southern Conv.	84	+2	—	—	—	—
[illegible]	F.P.	11/8	150	132	British & Can. Inv.	145	+2	9	—	1.5	—
[illegible]	...	...	150	90	Burton Grp. Warrants	124	+5	—	—	—	—
[illegible]	F.P.		49	40	Cap. & Counties Warrants	49	−1½				
[illegible]	F.P.	21/7	45½	40	Casey-Kokolan [illegible]	40	.....	b10	1.7	6.2	9.3
[illegible]	F.P.	30/7	59	59	Commodore Scot.	55	−1	b12½	2.2	2.3	20.4
[illegible]	F.P.	—	61	55	[illegible]	56	.....	b15	1.8	6.7	8.1
[illegible]	F.P.	11/8	98½	90½	Evans of Leeds	95	.....	b15	1.4	3.9	18.1
[illegible]	F.P.	27/2	56	52	Forminster 10p	55½	−½	b37½	1.4	6.2	10.8
[illegible]	F.P.	0/8	102½	91	Glendevon Inv.	100	+½	b12	—	3.0	—
[illegible]	F.P.	5/8	116½	103½	Do. Do. "B"	110½	+2½	—	—	—	—
[illegible]	F.P.	3/9	125	113	Kettering Motor Serv10p	119	.....	b40	1.0	3.4	17.9
[illegible]	F.P.	27/8	65	55	Lawdon (10p)	65	+1	b35	1.8	5.6	10.1
[illegible]	F.P.	4/8	40½	33	Linocroft Kilgour (10p)	38	+1	b27	1.9	7.1	7.2
[illegible]	F.P.	11/8	265	240	Matthews Wright'n 20p	245	−1	b40	1.9	5.3	16.3
[illegible]	F.P.	16/9	70	63	Mockley (A. & J.) Did.	70		—	—	—	—
[illegible]	F.P.	20/8	75	72	NSS Newsagents (10p)	78	+1	b32½	2.2	2.9	15.4
[illegible]	F.P.	—	88	70	Schlesinger (£1)	72	.....	b4.2	—	3.4	—
[illegible]	F.P.	3/0	69½	60	Thanet Inv. (50p)	66	.....	—	—	—	—
[illegible]	F.P.	3/9	34	32½	Do. Warrants	33½	+1	—	—	—	—
[illegible]	F.P.	4/8	81	71	Trafalgar Grp. (10p)	75	.....	b40	1.7	6.3	11.3
[illegible]	F.P.	—	17	16½	Wright-Scriven (12½p)	16¾	.....	b12	1.5	9.0	7.4

FIXED INTEREST STOCKS

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
[illegible]	F.P.	—	99	98	Airlease 9% Guar. $Bds. 1985	99	.....
[illegible]	F.P.	—	99½	98	Do. 8½% Guar. $ Notes 1978	99½	.....
[illegible]	F.P.	—	100	98	Armour Tst. 10½% Part. Conv. '91-6	100	.....
[illegible]	£25	16/10	28¾	24½	Automotive Prods. 10.4% Deb. '96-2001	26	.....
[illegible]	135	29/10	40½	34½	Brady (G.) 11% Deb. 1991-96	34¾	.....
[illegible]	£50	31/12	50½	50	Bristol E. Pst. 10½% M. Deb. '91-6	50	.....
[illegible]	F.P.	7/7	98	94	Brittains 10½% Conv. 1991-96	97	.....
[illegible]	F.P.	19/6	106	96	Cannon St. 8½% Part Conv. 1976	99	.....
[illegible]	F.P.	6/8	83¾	83¼	Cap & Counties 9¼% Uns. '91-6	83¾	.....
[illegible]	F.P.	6/8	111	103½	Cattle Hlds. 9% Conv. '87-91	111	+2½
[illegible]	F.P.	...	89	85	Central & Sheer 10% Cnv. 1951	89	.....
[illegible]	nil	18/9	12	6	Chloride 7½% Conv. 1986-91	12pm	+1¼
[illegible]	F.P.	11/9	101	99¼	City Acre 10.3% 1st. Mort. '91-6	100	.....
[illegible]	F.P.	16/8	115	95½	Cornwall Prop. 10% Partly Conv. 1976	104	.....

Issue Price	Amount Paid Up	Latest Renunc. Date	1971 High	1971 Low	Stock	Closing Price	+ or −
£100	£25	14/1	27¾	27	Distillers 10½% Uns. Ln. '93-8	27¼	.....
£99	£25	—	26¾	26¾	Eastbourne Water 10½% Red. Deb. '95-7	26¾	.....
¶£100	F.P.	11/6	115	107	[illegible] Conv. 1986	113½	+½
£100	F.P.	23/7	105	100¾	Henderson Inv. 10.6% Deb. '91-95	104	.....
£99	£50	1/10	51½	50	Hargreaves 10½% Deb. '92-97	50½	.....
£100	£50	24/9	55½	51	Hepworth Cer. 10.4% Deb. '92-7	51¼	.....
£97½	F.P.	30/11	101	...	I.C.F.C. 9% Uns. Ln. Stk. 1977	101	.....
£100	F.P.	—	89½	88¾	I.C.I. Int. Fin. 6% ST. DM. Bds. '73-88	98¾	.....
£97	£10	—	10¾	10¼	Ireland 9½% Stock 1991-96	10¼	.....
...	F.P.	17/9	105	95	Kent Castings 10% Part. Conv. 1976	102	.....
...	F.P.	20/8	113	101	Klesman 7½% Conv. 1981	113	.....
£103	F.P.	27/8	111	101½	Mid. Sth. Water 10% Red. Pref. '77	108	.....
...	F.P.	13/9	102	95½	Newman Inds. 10½% Part. Conv. '96-8	97	.....
£100	£10	—	9⅞	8¼	North'pton Corp. 8% Red Stk. '77-9	9¾	−¼
£100	F.P.	11/8	115	102	Plantation 11% Conv. Sub. '91-96	113	+2
£100	F.P.	—	117	114½	Racal Elect. 6% Conv. '95-2000	115	−1
£100	F.P.	16/9	106	100	Ralli Int. 8% Uns. 1994	101	.....
£99	£25	7/10	25½	24¼	Reeves (F. J.) 11% Deb. '96-2001	25	.....
...	F.P.	—	41	41	Rothschild Inv. 4½% Deb. Stk.	41	.....
...	F.P.	—	47	47	Do. 5% Cum. Pref.	47	.....
...	F.P.	—	53	53	Do. 6% Cum. Pref.	53	.....
£100	F.P.	13/8	107	91	Ruberoid 10½% Prtly Conv. Uns. Ln. Stk. '90-95	107	.....
$100	F.P.	—	98½	91½	Sandvikens 9% $ Bonds 1986	97½	.....
£99	£50	31/1	50½	50	Sheepbridge 10½% Deb. '92-7	50	.....
¶£100	F.P.	11/7	104	100½	Temple Bar 5½% Conv. '85-90	104	.....
£100	£25	8/10	30¼	26¾	Throgmorton Tst. 6½% Conv. '88-92	27¾	−¾
£100	F.P.	6/8	107	101	Union Comm. 6½% Conv. 1986	107	−1½
£104	£10	15/9	15½	12½	Wrexham & E.D. 10% Red. Pref. 1977	12½	.....

"RIGHTS" OFFERS

Issue Price p	Amount Paid Up	Latest Renunc. Date	Stock	Closing Price p	+ or −
135	Nil	3/9	Atlas Stone	17pm	.....
$1.00	NO	—	Austin	5pm	−2
¶A$1.55	37p	2/7	Bougainville Mines	84	.....
140	F.P.	2/9	Bovis	200	+2
75	F.P.	12/8	British Enkalon	24	.....
125	Nil	25/8	Dunspur Inv.	15½pm	.....
70	Nil	—	Sheepbridge Eng.	12½pm	.....
10	F.P.	13/8	Shipton Automation	10½	+⅛
140	Nil	8/8	Tilbury Contracting	13pm	.....
93	F.P.	20/8	Wolsey-Hughes	140	+2
140	Nil	26/8	Youghal Carpets	6¼pm	−2¼

Renunciation date usually last day for dealing free of stamp duty. a Placing price to public. b Figures based on prospectus estimate. d Dividend rate paid or payable on part of capital: cover based on dividend on full capital. k Figures based on prospectus or other official estimate for 1969-70. p** Pence unless otherwise indicated. ** Issued by tender. ‡ Offered to holders of Ordinary shares as a "rights." ¶ Issued by way of rights. † Rights by way of capitalisation. ** Tender allotment price. ♦ Reintroduced. ‡‡ Issued in connection with reorganisation, merger or take-over. ¶ Provincial quotation. ♣ Introduction. ♠ Issued to former Preference holders. • Dealt in under Special Rule. § Price at time of suspension.

INTERNATIONAL COMPANY NEWS + EURO MARKETS

Burmah in merger deal to increase Australian role

BY ADRIAN HAMILTON

BURMAH OIL is to increase its exploration interests in the North-West Shelf of Australia—where it has recently made two promising discoveries of gas—through a merger of its subsidiary, BOC of Australia, with Woodside Oil and Mid-Eastern Oil, two of its partners on the concession.

The merger, which is to be effected through a share exchange deal and is dependent on majority shareholder consent, will effectively give Burmah a majority control of just over 50 per cent. in the merged company, Woodside-Burmah Oil. This, in turn, will take a single 50 per cent. share in the concession consortium, which numbers Shell and BP among its other partners.

From Burmah's point of view, the development, coming on top of a series of complicated share deals by which it has also increased its exploration interests in other parts of Australia, comes at a time when it is eagerly searching to expand its role as a major integrated oil company, and may well give it its chance to go public.

From the point of view of the other two companies involved, the deal could well increase the financial strength of the group in an area which still contains costly technical problems to successful development and exploration.

Though the two finds, at North Rankin and Scott Reef, are potentially commercial, they are both at some distance from the shore, and clearly require considerable expense before full assessment and possible development is undertaken.

Announcing the news in Melbourne yesterday, Mr. J. G. Donaldson, chairman of Woodside and chairman-designate of the merged group, said that the proposed Woodside-Burmah company would be able to spend $A35m. before making any calls on Australian shareholders.

The link with Burmah, he argued, would give the company borrowing power in the Euro-dollar market and would "take a lot of the weight off Australian shareholders pockets," while allowing them to keep their equity in any find.

Under the terms proposed, the three companies would become subsidiaries through a share exchange of Woodside-Burmah Oil, which would be established with nominal capital of $A100m. in 200m. shares of 50 cents each.

Initially, 120m. shares would be issued on the basis that one fully-paid 50-cent share in Burmah-Woodside would be offered for each fully-paid 50-cent Woodside share and one 30-cent-paid share in the new company for every 30-cent-paid Woodside share making a total 58m. shares.

The new company would also offer four of its fully-paid shares for five fully-paid Mid-Eastern shares and four new 30-cent-paid shares for five 25-cent-paid Mid-Eastern shares, making a total of 24.24m. shares.

A total of 37.76m. 22.5-cent-paid contributing shares in the new company would be offered in exchange for the whole of the issued capital of BOC of Australia.

Woodside and Mid-Eastern at present both own shares in each other, and Burmah has agreed to buy out these shares, totalling 4m. fully-paid and 2m. 25-cent-paid contributing shares held by Woodside in Mid-Eastern, and the 2.01m. fully paid and 2.01m. 30-cent.-paid shares held by Mid-Eastern in Woodside—at a cost of about $A10m.

This, coupled with Burmah's existing holdings in Woodside, will effectively give the company a majority share in Woodside-Burmah.

The offer, which will be formally notified to shareholders as soon as possible, would be conditional on acceptance by holders of at least 51 per cent. of the three companies concerned and subject to the necessary Governmental and other consents being obtained.

ZAMBIAN IMPORT-EXPORT CONCERN

By Our Own Correspondent

LUSAKA, August 12.

FINDECO, Zambia's State corporation controlling the State portfolio in insurance, building societies, banking and other financial holdings, is entering the import/export business. Findeco has registered a Zambian company called All Countries Exports 1971, with a K5m. nominal capital. This follows the Findeco takeover of a U.K.-based subsidiary of Zambian Eagle Developments (ZED), which had previously taken over from the Crown Agents a major portion of Zambian Government supplies.

The formation of the new Findeco concern, which will no doubt take an even larger share of Zambian Government business, comes after the failure of the ZED subsidiary in April when it was placed in the hands of an official receiver. One hundred creditors, owed several million Kwacha, are still awaiting the outcome, though it is hoped that a good deal will still be salvaged from the sale of various of its subsidiaries.

KHD 1971 turnover goal cut by Dm200m.

COLOGNE, August 12.

THE EXECUTIVE Board chairman of Kloeckner-Humboldt-Deutz AG (KHD), Karl Heinz Sonne, told the annual meeting the company had cut its 1971 turnover goal by Dm200m. from the original Dm2,400m. because of the downturn in the West German economy.

Turnover during the first six months of the current year was just below Dm1,200m. and new orders are running 12 per cent. below the equivalent 1970 figures. The uncertainties arising from the floating of the D-Mark and the coming negotiations with the Metal Workers' Union made a profit forecast more difficult, although he hoped to achieve a reasonable result for 1971, despite cost factors.

Sonne said later in answer to questions that Kloeckner could not at this stage guarantee to maintain for this year the 1970 dividend of 16 per cent., but added the company will certainly pay a 1971 dividend.

Shareholders approved a capital rise of Dm45m. to Dm180m., and gave the Board authority to raise capital by a further Dm15m. within five years.

The co-operation agreement with Chantiers de L'Atlantique is expected to raise Kloeckner's turnover by Dm70m. over the next two to three years, Sonne said. Asked about the effect on the company of the D-Mark float, Sonne said each one per cent. of revaluation would cost Dm10m. a year in revenue.

Reuter

ECSC loan increased to $20m.

BY PETER TUMIATI

ROME, August 12.

THE $15m. new style Eurobond issue by the European Coal and Steel Community (ECSC) has been such a success that it is being increased to $20m.

The main characteristic of the loan is that holders will be entitled to take interest and capital repayment in dollars pegged to last week's rate of exchange between the dollar and the Luxembourg Franc, whatever the rate of exchange may be in the future. Its other unusual feature is that two-thirds of the whole issue was underwritten directly by four Italian institutional investors, thus cutting out the customary bank link.

Although the issue is a Euro-dollar one, it offers a hedge against a devaluation of the dollar. The loan carries a coupon of 7¾ per cent. and was issued at 98½ per cent.

SWISS SURVEY OF TOP WORLD CORPORATIONS

By John Wicks

ZURICH, August 12.

DESPITE its fall in group turnover of 22.7 per cent. last year, General Motors is still by far the biggest industrial undertaking in the world, according to an international survey soon to be generally published by the Union Bank of Switzerland. The giant U.S. company heads a list of the world's 100 biggest industrial concerns compiled by the Swiss Bank. It comprises 63 U.S. concerns, 11 from West Germany, eight from the U.K., seven from Japan and three companies each from Italy and France. Total turnover of these top hundred rose by some 6 per cent. in 1970 to the equivalent of Sw.Frs. 1,499,000m., states the report, the fall of the increase rate on the 8 per cent. booked for the previous year having been caused by the slow-down in the U.S. expansion rate.

Following General Motors with its 1970 sales of Sw.Frs.81,999m., the Union Bank gives Standard Oil (N.J.) with Sw.Frs.72,388m. excluding purchase tax, Ford Motor with Sw.Frs.65,505m, Royal Dutch Shell with Sw.Frs.45,987m., excluding purchase tax, and General Electric with Sw.Frs.36,162m. British, or partially British companies in the top 50, other than Royal Dutch Shell, include British Petroleum, I.C.I., British Steel and British Leyland Motor.

The bank at the same time presents its list of the world's top 100 trading banks, the criterion being total assets. The top three are all American companies—the Bankamerican Corporation, First National City and Chase Manhattan.

ITALIAN ELECTRONICS INDUSTRY

To small, too fragmented

BY OUR MILAN CORRESPONDENT

SOCIETA GENERALE Semi-Conduttori (SGS), one of Italy's major electronic component manufacturers, recently secured an initial $1m. order to supply a series of complex integrated circuits to the West German typewriter and office machinery concern, Olympiawerk AG.

The circuits will be mounted in a new series of table-top computers which Olympia presented at this year's Hanover fair.

The order represented a considerable success for SGS, given the intensely competitive situation in the worldwide electronics component market, and follows a lengthy period of research and development at the company's research laboratories at Agrate, near Milan.

However, Olympia's choice of SGS is a fairly logical one given the extensive experience which SGS has obtained in this field through its close connections with Olivetti, which has introduced a growing element of sophisticated electronics into its product range over the last decade.

Until this July, SGS was a wholly-owned Olivetti subsidiary, although it has changed form several times since its original creation in 1957 as a joint venture with Telettra, an independent Milan electronics company.

In 1961, for instance, the company changed its name to Fairchild SGS following the entry of the American company into SGS, where it took a one-third shareholding.

Fairchild brought with it experience of silicon transistor technology which it developed into a growing market in the U.S. However, this partnership only lasted until 1968, when the American company withdrew after disagreement on the future direction of research and development. It was followed one year later by Telettra, which wanted to concentrate on developing its own activities.

This left the company entirely in Olivetti's hands at a time when the worldwide electronics market was flooded with cut-price diodes, transistors, semi-conductors and other components. As a result, SGS, like most other companies in this field, suffered heavily, though losses were modest compared with many competitors.

However, this experience convinced Olivetti of the difficulties facing small European electronics companies in a world market dominated by large American and Japanese corporations.

This is a view shared by Signor Giuseppe Patrilli, the president of Italy's para-State holding company Istituto per le Ricostruzione Industriale (IRI).

At the annual IRI Press conference in Rome last month Signor Petrilli stated his conviction that the European electronics industry was too small and too fragmented, and that for many European companies in this sector the future lay either in bankruptcy, or take-over by an international corporation or survival through merger with other European concerns into a larger competitive unit.

Signor Petrelli clearly indicated his preference for the third alternative as the best solution for the future of the Italian industry. To this end, he explained, IRI, together with Olivetti and Fiat, has decided to create an Amsterdam-based holding company which groups together the major producers and consumers of electronic components in Italy.

IRI, through its telecommunications holding company, Societa Finanziaria Telefonica, holds a majority 60 per cent. stake in the as yet unnamed holding company, and has transferred to it control of the component company, Ates Componenti Elettronici.

This is an IRI company in Catania, Sicily, which basically produces components for the expanding Italian telecommunications network.

Olivetti, meanwhile, has taken a 20 per cent. stake in the new holding and sold SGS to it.

Fiat has taken the remaining 20 per cent. of the share capital of the new company and on the surface Fiat's contribution is purely financial. However, its position as one of the major consumers of electronic parts, particularly in its aerospace and nuclear activities, fits in closely with the overall logic of the new holding.

For, as Signor Petrilli explained, the new holding should ensure a significant capture market for the output of the Italian electronics industry by grouping together the major producers and major consumers into one company. This should provide the basis for large production runs and facilitate the rational selection of future research. In this respect a considerable degree of rationalisation can be expected in the research field where the efforts of the Ates and SGS research teams are likely to be closely co-ordinated to avoid overlapping and duplication.

Large scale production and efficient research are held to be the key to survival in what is one of the most highly competitive industries in the world.

Nevertheless, the Italian market on its own is not judged sufficiently large to sustain a national industry of international dimensions and one task of the new holding company is expected to be that of attracting the participation of other European concerns.

The choice of Amsterdam as the headquarters of the new holding reflects these international intentions. The possible entry into EEC of Britain and the Scandinavian countries would tend to shift the geographical balance of Europe northwards while opening up increased possibilities for future co-operation.

Proximity to the giant Philips complex at Eindhoven and to the key West German market are also factors believed to be behind the choice of Amsterdam rather than an Italian city.

On a wider scale, meanwhile, this desire to internationalise Italy's electronics activities can be seen as the latest in a series of moves which major Italian companies have made in an attempt to broaden the base of their activities.

This partly reflects the logic of larger units in to-days technological and trading conditions. However, it is also a form of insurance in view of the unsettled labour situation over the last two years and continuing uncertainty over the future direction of Italian politics.

IN BRIEF

Europe

● GROUP DEUTSCHE GRAMMOPHON and NV Philips' Phonographische Industriee said they have set up the Polymedia Video Company to acquire, duplicate, produce and distribute video programmes of all kinds. The new company will make use of the many existing group activities in related spheres, and will enter co-operative arrangements from time to time.

● ANDALUZADE CEMENTOS PORTLAND will be refloated under an economic assistance agreement signed with the Soc. Auxiliare de Gestion S.A., affiliated with the French Soc. Auxiliare de Mandat. The Spanish company already has a technical "know-how" agreement with the Danish concern F. L. Smidth.

● BASS SAMBRE CORCHO (BSC), Spanish engineering and shipbuilding company operating with Belgian capital participation, has been refloated by the Bilbao company "Equimar" and the Savings Bank of Santander North Spain, end has re-emerged as 100 per cent. Spanish-owned without the former Belgian shareholders.

● STE DES CHARBONNAGES REUNIS LAURA ET VEREENIGING said it sold to Agip one-half of its one-sixth interest in the Laura-Tenneco Group, prospecting for hydrocarburates in the Dutch sector of the North Sea Continental shelf. Tenneco holds a one-third interest in the group, Monsanto one-half and Ethyl Corporation one-sixth.

North America

● INTERNATIONAL TELEPHONE AND TELEGRAPH CORPORATION declared a quarterly dividend of 28¾ cents per share on the outstanding shares of Common stock payable on October 15 to shareholders of record on August 27. Dividend is at an annual $1.15 per share.

● CANADA AND DOMINION SUGAR COMPANY, subsidiary of Tate and Lyle, had consolidated profit of $C3.02m., or $1.95 a share for nine months ended June 30, against $3.25m. ($2.10) a year earlier. Sales $C58m. ($51.9m.).

● SHERRITT GORDON MINES, Canada's third largest nickel producer, had profit of $C2.85m. or 32 cents a share, for six months ended June 30, against $5.89m. (52 cents) a year earlier. Sales $C40.2m. ($52.8m.).

● IMASCO, largest tobacco products company in Canada, had profit of $C7.85m., or 79 cents a share, for six months ended June 30, against $7.08m. (71 cents) a year earlier. Sales $C267.5m. ($290.9m.).

Others

● HONG KONG LAND, INVESTMENT AND AGENCY COMPANY unaudited net profit for half year ended June 30 after depreciation and taxation, amounted to $HK28.5m. (£1.96m.), an increase of $HK6.2m. over the corresponding 1970 period. Company anticipates net profit forecast for full year of $HK58m. (£4m.) given at the time of the rights issue will be exceeded, and has declared interim dividend of 40 cents per share, payable September 27 on the issued share capital.

● THE COMMERCIAL BANK OF AUSTRALIA and International Pacific Corporation announced that CBA is to take an equity interest in International Pacific Corporation. CBA will acquire a 11.8 per cent. interest, following capital moves by IPC which will have the effect of doubling issued capital. The issue of further capital by IPC will be made to existing shareholders, N. M. Rothschild and Sons, Charter Consolidated, Hordern UTZ and Bode and IPC's management. A further 750,000 ordinary shares of $A1 each will be issued, bringing total capital to $A1.5m. The new shares will be paid initially to 50 cents. Following this issue, CBA will subscribe to a placement of 150,000 new shares and will acquire 45,000 old shares from existing shareholders.

SELECTED EURODOLLAR BOND PRICES MID-DAY INDICATIONS

	Bid	Offer		Bid	Offer		Bid	Offer
Straight			Oslo 8½pc 1986	90	91	Beatrice 7½pc 1990	115½	117
Atlas Copco 9½pc 1985	99	100	Olivetti 9½pc 1985	99½	100½	Borden 2½pc 1991	100	[illegible]
ASEA 8½pc 1986	91	92	Ontario Hydro 6½pc 1986	93	94	Chrysler 5pc 1988	63	[illegible]
Beecham 8½pc 1988	89½	90½	Philips 6½pc 1978	96½	97½	Eastman Kodak 4½pc 1988	81½	[illegible]
Borregaard 7pc 1986	93	94	Quebec Hydro 8½pc 1986	91½	92½	Eaolty Funding 5½pc 1989	79	[illegible]
Conoco 8pc 1986	90½	91½	Transocean Gulf 8pc 1986	90½	91½	Firestone 5pc 1988	96	[illegible]
Conoco 9½pc 1985	99	100	Notes			Ford 6pc 1986	100½	[illegible]
Courtaulds 9½pc 1985	99	100	Cabot 8½pc 1975	98½	99½	Fuji Photo Film 6½pc 1985	160	[illegible]
Denmark 9pc 1982	99½	100½	Ericsson 8½pc 1975	99½	100½	Honeywell 5pc 1983	97	[illegible]
Esso 8pc 1986	93	94	Esso 7½pc 1978	94	95	Kinney 6½pc 1990	103½	[illegible]
Esso 9pc 1985	101½	102½	Esso 8½pc 1973	100	101	Komatsu 6½pc 1984	97½	[illegible]
General Mills 8pc 1986	89½	90½	Garx Oswego 8½pc 1977	95½	96½	Michelin 6pc 1983	106½	[illegible]
GUS 8½pc 1986	90½	91½	Hawker 9pc 1975	99½	100½	Murphy 5pc 1989	75½	[illegible]
Hambros 9½pc 1985	100	101	Nippon Petr. 7½pc 1973	97½	98½	Owens Illinois 5pc 1977	97½	[illegible]
Hamersley 9½pc 1985	98½	99½	Oslo 9pc 1973	100½	101½	Pepsico 4½pc 1981	116	[illegible]
ICI 8½pc 1982	82½	83½	Transocean Gulf 8½pc 1975	98½	99½	Rand Selection 6½pc 1986	100½	[illegible]
Ireland 8½pc 1989	89½	90½	Source: White Weld Securities.			Revlon 4½pc 1983	98½	[illegible]
ISEC 9pc 1985	97½	98½	Convertibles			Suez 7pc 1985	95½	[illegible]
Massey Ferguson 9pc 1982	99½	100½	Alusuisse 7pc 1981	100	101	Texaco 4½pc 1988	90½	[illegible]
Monsanto 8½pc 1985	96	97	American Can 4¾pc 1988	70½	72	20th Century Fox 5pc 1987	72½	[illegible]
Mt. Bk. Finland 8½pc 1986	89½	90½	American Brands 5½pc 1988	115½	117	Union Carbide 4½pc 1982	55½	[illegible]
Occidental 9½pc 1982	95	97	Amoco 5½pc 1984	93½	94½	Source: Kidder, Peabody Securities.		

COMPANY NEWS

John Brown's order position

SHORT-TERM order prospects for John Brown and Co. are in general uncertain and will remain so until conditions in the home market improve, says the chairman, Lord Aberconway.

He hopes that the Chancellor's measures will restore confidence to the economy. Any improvements will improve the group's results.

In particular those subsidiaries seeking fuller order books will be able to take good advantage of any upsurge in business activity in the respective markets.

Beyond this, Lord Aberconway hesitates to give any forecast of the likely group profit for the current year.

In the year ended March 31, 1971, for some of the group's diverse products orders were hard to get; and still are. In most fields, however, either it was able to win a reasonable volume of orders or else it already enjoyed the benefit of a good order book. On machine tools, where much publicity has been given to the shortage of orders and to the difficulties experienced by the industry, Wickman has, with few exceptions, strong order books.

By and large the group has perhaps enjoyed better activity than have many others, and although in most cases spare capacity exists, order books are healthy.

At the end of December Constructors John Brown had a large volume of work on hand, but most of the engineering of it had been completed. The substantial cut-back in expenditure by U.K. customers since then has left CJB with spare engineering capacity.

It has, however, a large volume of overseas inquiries, in course of tender or negotiation: to the extent that these become contracts, the workload will benefit, though probably next year rather than this year.

Vital factors in securing overseas contracts are the terms of credit and the rates of current interest: these at present put British contractors at a disadvantage compared with their competitors; and Lord Aberconway suggests the Government should pay urgent attention to this crucial aspect of overseas trade.

As reported on July 31, group sales for 1970-71 were £114.27m. (£91.34m.) and the profit came to £4.41m. (£5.21m.). The dividend is held at 11¼ per cent.

The profit was not as large as the directors had hoped or, at an earlier stage in the year, had expected. However, if allowance is made for the need for provisions of some £140,000 made for debts owing by Rolls-Royce, the profit fully met the forecast made in January of "around £4.5m."

Considerable labour unrest affected several establishments, in some instances into the current year; latest developments, however, give hope that these difficulties may soon be resolved. The economic climate, particularly in the second half, made trading conditions difficult; rapid inflation persisted and costs continued to rise faster than prices.

Net bank borrowings rose by £5.2m. Of this some £2.7m. was for the acquisitions of Cardiff Plant, Diagrit Holdings, and Joseph Thompson (Sheffield). Furthermore, overdrafts of these companies when purchased amounted to total to some £500,000, so that automatically the group's borrowings rose by that amount. In addition, to avoid undue calls upon bankers, some £2m. was borrowed in U.S. dollars for 2½ years, repayable in March, 1974, at a rate, fixed until March, 1972, of 10½ per cent. per annum.

All subsidiaries have been exercising a high degree of restraint in capital expenditure, and have been intensifying their efforts to reduce their use of working capital.

Meeting, 4, The Sanctuary, Westminster, S.W., September 3 at noon. Lord Clitheroe, a deputy chairman, and Sir John Baker are not seeking re-election to the Board.

Chairman's Statement Page 21

BOARD MEETINGS

The following companies have notified dates of Board meetings to the Stock Exchange. Such meetings are usually held for the purposes of considering dividends. Official indications are not available whether dividends concerned are interims or finals and the sub-division shown below is based mainly on last year's time-table:—

TO-DAY

Interims—Britains, Patent Industrial Group, Rowton Hotels.

Finals—Cawoods, Crosses and Heatons, Letraset, A. J. Worthington.

FUTURE DATES

Interims—	
Redland Concrete	Aug. 20
City and Commercial Investment	Aug. 19
Hackney and Hendon Greyhounds	Aug. 24
Ibstock Johnsen	Aug. 18
Lamson	Aug. 18
Pemberton Group	Aug. 24
Reardon Smith	Aug. 15
Finals—	
Geevor Tin	Aug. 19
Mario and Franco	Sept. 16
Norwest Holst	Aug. 18
Webb (Joseph)	Aug. 16

Scapa sees improvement

At yesterday's meeting of the Scapa Group, chairman, Mr. T. D. Walker, pointed out that its predominant interest was with supply of felts to the paper and board industries throughout the world and that these industries were in most countries at present working below capacity.

External trends and events would obviously influence the group's performance for the current year. As far as the U.K. was concerned, conditions encountered during the last months of 1970-71 continued into the first quarter of this year. Orders in June began to look up a little but we shall have to wait until after the summer holiday period in the various countries supplied to see whether this better trend is confirmed," Mr. Walker said.

"It is not unreasonable to expect some improvement in the second half-year since there has undoubtedly been some reduction of customers' stocks, which cannot go on indefinitely. World wide there must come an improvement in the paper trade generally at some point and in this specialised trade of ours Scapa is well placed to take advantage of it," he added.

Lambert Howarth

PRE-TAX profits of the Lambert Howarth Group (of footwear manufacturers) amounted to £133,244 in the 24 weeks ended June 19, 1971, compared with £57,008 in the corresponding 28 weeks period. For the 13 months to December 31, 1970, profit was £200,193.

The interim dividend is raised from 3 per cent. to 5 per cent.—the total in the previous 13 months was 10 per cent.

Mr. C. L. Howarth, chairman, reports that the interim improvement has been brought about through a substantially increased turnover and improved efficiency. Profit is traditionally greater in the second half, but the strong incidence of higher costs makes it difficult to forecast what the annual profit will be.

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Ashbourne

Profit, before debenture interest and tax, of approximately £150,000, against £187,000, and a dividend reduced from 5 to 3 per cent., are indicated by Ashbourne Investments for the year to April 30, 1971.

For the half year to October 31, 1970, profit decreased to £54,000 (£114,000) reflecting difficulties with the Rivlin companies. Their losses have made a "serious impact," which the increased profits contributed by other members of the group have not been able to offset, says chairman, Mr. E. J. Speyer.

As indicated last November, the Rivlin companies have now emerged into profitability. Over the last few months they have traded profitably and it seems the difficulties which attended this acquisition have at last been overcome.

The chairman is satisfied with the progress made by the other subsidiaries.

On present indications the directors look forward to a substantial future recovery in profits. They are of the opinion that profit for 1971-72 will justify at least restoring the dividend to the former 5 per cent. In view of the reduction for 1970-71, they propose to pay an interim of 3 per cent. during the current year.

Mr. K. P. Wood, joint managing director, has resigned in order to devote more time to his own affairs. His services have been retained on a consultancy basis.

IMI first half downturn

FIRST HALF external group sales of Imperial Metal Industries, which is controlled by Imperial Chemical Industries, dropped from £106.8m. to £91m., and pre-tax profit went down from £6.4m. to £5.9m.

However, after lower tax and providing for minorities, the net applicable balance came out marginally higher at £3.5m., against £3.4m.

The interim dividend for the current year to December 31 1971, is raised by 1 per cent. to 5 per cent., but this is intended solely to reduce disparity with the final 17 per cent. last year) and should not be construed as indicating an intention to increase the total. With tax payable to the Inland Revenue, the interim will absorb £1.9m.

Members were told at last April's annual meeting that trading results in the first quarter of 1971 has not come up to expectations, and that in the then present economic climate the group would do well to match the profit before exceptional items achieved in 1970. If the Budget resulted in a revival of confidence and a higher rate of industrial investment, a recovery from the rather disappointing level of activity experienced at the beginning of the year, could be looked for, it was added.

The directors now report that most of the first half fall in sales value has been due to the substantially lower copper prices—volume is, however, down by about 5 per cent.

Profits have been affected by a fall in demand and a contraction of margins in the refinery division and by a fall in sales to Rolls-Royce, but these adverse factors have been partially offset by improved results elsewhere.

Figures exclude profits or losses on metal stocks. There was a loss of £0.1m. before tax in the six months to June 30 (£0.5m. corresponding period).

The tax charge for the first half of 1971 has been reduced by a credit for investment grants of £0.2m. and also by one-half of the over-provision of £0.2m. for 1970, resulting from the retrospective reduction in the rate of Corporation Tax.

Group profit for full year 1970 is after providing £1.5m. against possible losses on Rolls-Royce contracts. No part of that provision has been released in the first half of 1971 and it is not yet possible to say how much can be released to profits in 1971.

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BURNETT AND HALLAMSHIRE

Mr. A. G. Burnett, chairman of Burnett and Hallamshire, told shareholders at yesterday's annual meeting in Sheffield that the optimism for the future expressed in his annual statement was fully justified in the light of current activities.

In the year to March, 1971, this civil engineering and building group increased pre-tax profits from £398,000 to £460,000 and effectively raised its dividend total from 12½ per cent. to 13¾ per cent.

Meeting Page 7

3% final by Burt Boulton

AGAINST a forecast of 2 per cent. Burt Boulton Holdings (timber, road materials, chemicals) recommends a final dividend of 3 per cent.

This makes a total of 5 per cent. for the year to March 31, 1971, compared with 2 per cent.—interim only—for the previous year, and with a total of 13 per cent. for 1968-69.

Group pre-tax profit expanded from £91,390 to £247,910, reflecting substantially reduced depreciation and interest charges. Turnover was down from £17.35m. to £16.31m.

When reporting first-half profit up from £64,200 to £113,800, the chairman, Mr. G. H. Hicks, said results reflected the first benefits of group reorganisation which, he added, should lead to a better final result.

	1970-71 £	1969-70 £
Turnover	16,314,000	17,352,000
Trading profits	995,553	1,035,242
Depreciation	395,808	324,541
Debenture, etc., int.	351,835	419,311
Profit before tax	247,910	91,390
U.K. tax	73,943	14,385
Foreign tax	30,831	39,827
Net profit	141,136	36,978
Attributable	121,811	79,994
Dividend	76,326	30,331
Group reserves	3,617,991	3,411,136

The movement on reserves is primarily due to the sale of Burts and Harvey, with effect from April 1, 1970. The profit, together with the sale of the goodwill and business of W. R. Crow and Son, after capital gains tax, amounted to £282,000 and has been credited to capital reserve.

Meeting, Brettenham House, W.C., September 30, noon.

U.S. Debenture

Gross revenue of the United States Debenture Corporation, including double tax relief, rose from £1,556,000 to £1,649,000 in the 12 months to July 31, 1971.

A valuation of investments showed that at July 31 they stood at £42,763,172 compared with £37,195,941 at January 31, both figures including full dollar premiums.

Net current assets were £209,104 (£297,285) and net asset value per 25p share was 91p (79p).

Norcros half-year expansion

FROM INCREASED sales of £17.64m., against £15.75m., group pre-tax profit of Norcros expanded from £1.21m. to £1.41m. in the first half of the year to November 28, 1971. The figures for the year to November 29, 1970, were £33.55m. and £3.02m. respectively.

The interim dividend is lifted from 2.08p to 2.2p per 25p share. The 1969-70 total was 5.625p.

First-half profit available for appropriation advanced from £647,000 to £806,000.

Earnings per Ordinary share increased by 28 per cent. to £735,000, representing 4.79p (3.75p) per share. A total of 652,070 shares were issued last February under the incentive scheme. Earnings per share of the fully diluted capital would be 4.60p.

	Half year 1971 £000	Half year 1970 £000	Year 1969-70 £000
U.K. sales	14,661	12,864	27,069
Exports from U.K.	1,093	1,142	2,718
Overseas sales	1,890	1,744	3,760
Total sales	17,644	15,750	33,547
Trading profit	1,391	1,373	3,458
Assoc. companies*	25	29	49
Investment income	9	27	60
Interest payable†	222	221	527
Profit before tax	1,413	1,208	3,020
Taxation	578	557	1,280
Minorities profits	10	5	25
Retned. assoc. cos.	19	‡1	19
Available	806	647	1,724
Pref. dividend	71	71	143
Earnings Ordinary	735	576	1,581

* Share of profit. † On loans repayable within 5 years £116,000 (£115,000 and £277,000). ‡ Credit.

The increased profit was achieved as a result of continued progress by all divisions in the U.K. and overseas, the directors state.

Norcros, an industrial investment holding company—has three operating divisions—construction engineering, printing and packaging, and consumer.

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"Excellent" prospects for Hemdale

Although unwilling to forecast profits for 1971, Mr. John Daly, chairman of Hemdale Group, yesterday described prospects of the group as "excellent." Work had begun three days ago on the fifth of six films to be financed this year, he told shareholders at the annual meeting in London, and the final film would get under way in November.

Mr. Daly anticipated greater participation with U.S. companies and explained that the plan was to cover costs of all films in the planning stages through early negotiation of distribution rights. He emphasised there were no plans to set up a distribution company although a sales organisation was to be created.

For the fifth film to be financed in 1971—called Embassy and starring Ray Milland and Broderick Crawford—Hemdale had negotiated first recoupment over its co-financier which would give it 40 per cent. of profits and 10 per cent. of world distribution sales. The sixth film this year, Images, is to be directed by Robert Alltman, who directed the successful film, M.A.S.H., said Mr. Daly after the meeting. It would cost under $1m., but would be more costly than most Hemdale productions.

Mr. Daly said that while Hemdale was now essentially a film production and financing company, the artistes management side of the group would continue to be expanded. However, with actors now tending to take a percentage of profits on films rather than salaries, the opportunity for growth was not as great as before.

A. E. Symes

A. E. Symes, building and civil engineering contractors, is maintaining its dividend at 13 per cent. for the year to January 31, 1971. The final is an unchanged 9 per cent.

Profits for the year declined from £216,393 to £192,067 before tax of £69,618 (£102,186).

Last September chairman G. F. Symes said tendering conditions continued to be severe and he thought it unlikely that 1970-71 would be better than the previous year.

METTOY PETITE

Byron Jardine (a subsidiary of Dobson Park Industries) and the Mettoy Company announce the formation of a new jointly owned company Mettoy Petite to undertake the world-wide distribution of the successful Petite typewriters manufactured by Byron Jardine.

Directors are Mr. A. Katz, Mr. B. Lillyman, Mr. G. F. Briggshaw and Mr. R. B. Hill.

BIDS AND DEALS—(Cont'd)

ASSOCIATES DEALS

On August 11, S. G. Warburg purchased on behalf of associates of Grand Metropolitan 14,000 Truman Hanbury at an average of 452p.

On August 11, Panmure Gordon purchased associates of Grand Metropolitan 15,000 Truman Hanbury at an average of 452p.

Rowe Swann on June 18 for account of Bristol Street Group, bought 11,000 Btnemal at 80½p.

Panmure Gordon on August 11 bought for associates of Rowntree Mackintosh 7,500 Rowntree at 505p.

Schroder Wagg announces that between August 3 and 6 inclusive they bought a total of 64,500 ICI shares at prices ranging from 310p to 320p on behalf of associates, and bought on August 6, 42,000 Qualitex at 43½p on behalf of associates. On August 11 they purchased 5,000 ICI at 324 of of associates.

WELLMAN DROPS FLUIDRIVE BID

Following the announcement that the Board of Fluidrive had decided not to recommend the proposed offers by Wellman Engineering, which was conditional upon such recommendation, the Board of Wellman has decided not to proceed.

RACAL—AMPLIVOX

The offer on behalf of Racal Electronics for the Ordinary capital of Amplivox has been accepted by holders of 905,151 shares (90.5 per cent.).

At the meeting of Racal, the increase in capital necessary to implement the offer was passed, and on August 6 quotation grant was obtained for the Racal securities to be issued.

The offer is now therefore completely unconditional and remains open until further notice.

BRITTAIN PRESS

The offer by Marshall Cavendish for Brittain Press has been accepted by holders of 1,174,414 shares (94 per cent.) and has been declared unconditional. The balance will be acquired compulsorily.

HIRACRANE

Acceptances have been received totalling 495,100 of the outstanding shares of Hiracrane in response to the offer made on behalf of Close Brothers Merchant Securities. With the 990,400 previously held, the shares acquired represent 95.2 per cent. of Hiracrane. The offer will remain open until August 31.

OLD BLEACH

In response to the offer on behalf of Carrington Viyella for the Ordinary capital of Old Bleach (Holdings), valid acceptances have now been received in respect of 782,297 shares (over 90 per cent.) and the offer has accordingly become unconditional. Acceptances of 450,664 shares (over 52 per cent.) ances include those in respect of holders of which elected to receive the cash alternative. The offer remains open.

Permission to deal in and quotation for the new Ordinary shares in CV has been granted by the Stock Exchange, London, the Northern Stock Exchange, the Midlands and Western Stock Exchange and the Scottish Stock Exchange, and dealings will commence Monday, August 16, for deferred settlement two business days after despatch of renounceable allotment letters on September 1.

COMPANY NEWS

Improved return for H. J. Heinz

IN RAISING both sales and profits by satisfactory amounts in the year ended April 24, 1971, the H. J. Heinz Company demonstrated its ability to succeed under difficulties.

Chairman Mr. Henry Heinz says the return on capital was further improved, and was again "comfortably ahead" of the industry average.

Heinz-labelled products at home and overseas, and the products of subsidiaries, all contributed to a 9 per cent. group sales increase, from £83.41m. to £91.04m., continuing the company's long record of uninterrupted progress. Market leadership was maintained in 12 major categories, in 10 of which shares ranged from 50 per cent. to 90 per cent.

Exports at £3.84m. were over 15 per cent. ahead, and reflected the intensive marketing activities undertaken, particularly in Scandinavia, eastern Europe, Africa and the Middle East.

As reported on June 29 profit came to £8.29m. (£7.69m.). Dividend required £3.16m. (£3.05m.).

The company intensified its profit improvement programme in general administration, warehousing and distribution, marketing, planning and control procedures, materials utilisation and sales branch costs.

These measures helped to reduce the effect of snowballing costs, but prices had to be raised, says Mr. Heinz.

W. Dartington and Sons, the Sussex mushroom grower, had another excellent year and a joint development company, Steralcon Food Products, was formed with the Swiss Aluminium Company (Alusuisse) to explore and exploit the use of aluminium packaging in the food industry.

The company has also been watching the growth of "retail" catering, and plans to open its first restaurant shortly to gain experience of this development.

To maintain a vigorous product range, 16 slower selling varieties were discontinued, but 23 new varieties were added to existing retail ranges.

Additions to fixed assets net of disposals amounted to £1.15m. This included a new warehouse and sales offices at Edinburgh; shrinkwrapping equipment at the Harlesden and Standish factories for salad cream, mayonnaise, tomato ketchup and ideal sauce; equipment for the modern techniques in mushroom growing and picking at Darlingtons; and at Coleraine new storage silos for fresh milk, able to handle up to 80,000 gallons.

On the future, the chairman stresses that it becomes progressively more difficult for the industry to operate profitably, yet an adequate return on capital is essential if productivity is to be improved. He is confident however, that the British food manufacturing industry, already highly efficient and now actively investigating a range of innovative technologies, will continue to go forward.

Meeting, Hayes (Middlesex), September 16 at 12.30 p.m.

Chairman's Statement Page 19

Lewis Partnership ahead

IR BERNARD MILLER, chairman f The John Lewis Partnership, eporting a sales increase of 9,361,000 and a rise in trading rofit of £542,000 to £3,637,000 in stimated results for the first half nded July 31, 1971, forecasts a atisfactory increase in turnover r the year as a whole.

In spite of the adverse factor publishing the results a week ter than usual "to enable us to sess more accurately the losses hich resulted from the recent urchase tax cuts," both increases re nearly 18 per cent. up on e previous corresponding eriod.

The Government's recent easures to increase consumer rnover spending should also lp in reaching a satisfactory rnover for the year, he points t.

"We are, however, faced with continuation of the formidable creases in all our costs, and parularly remuneration, which we ve successfully carried in the st half-year, but which may ke it unlikely that in the cond half-year the full increase sales will be reflected in our ofits," Sir Bernard adds.

nterest costs rose but there s a reduction in corporation tax profits needed to pay Preferre dividends so that a very ge proportion of the additional ding profit went to improve surplus available for profit ring and, subject to further for reserves.

his surplus, which is not ealed until the results for the year are known, increased m £1,976,000 to £2,439,000, a of 23 per cent., the chairman orts.

Within the total sales increase £9.3m., department store sales, ieved with roughly the same ount of space, rose by £4.6m. 43m. Waitrose sales rose by m. to £15m., but in its case ut half of the increase is ibutable to additional selling ce. Wholesale and manufacng sales increased by £43,000 £1,052,000.

In the second half-year we are geting for an increase of a e over 9 per cent. in departt store sales but we should be content with an increase less than 12 per cent," Sir nard adds.

further substantial rise in l sales is expected as new supermarkets are opened and those which began trading in the past year or so become fully profitable.

	Half-year 1971 £000	1970 £000
Department stores, etc.	42,995	39,384
Supermarkets	16,070	13,363
Wholesale mfg.	1,082	1,039
Total turnover	62,147	52,786
Trading profit*	3,637	3,095
Profit	3,072	2,437
Preference dividends	633	661
Surplus†	2,439	1,976

* After depreciation but before interest.
† Available for profit-sharing and, subject to further tax, for reserves.

Statement Page 25

Y. J. Lovell first half profit

BUILDING contractors and estate developers Y. J. Lovell (Holdings) made a pre-tax profit of £133,000 in the six months to March 31, 1971, compared with a loss of £196,000 in the first half of the previous year.

Chairman Mr. E. W. Segrave says the Board expects that for the full year to September 30, 1971, group profit will show "a satisfactory improvement" over the previous year's £257,533 at the pre-tax level.

In the half-year, increased profits have accrued in the two principal divisions, construction and developments, while the timber division has shown a marked improvement. Due provision has been made for losses of £103,300 on the Portsdown housing contract.

In his annual statement in March, Mr. Segrove said there were indications of a further advance in profitability in the current year. Last year there was a single, year-end dividend of 10 per cent.

Of the half-year profit, contracting and allied trades contributed £117,000 and timber group £16,000. In the six months to March 31, 1970, contracting and allied trades reported a £109,000 loss and a £335,987 profit for the year 1969-70. Timber group figures were £87,009 loss and £78,454 loss respectively.

Statement Page 25

Coral below forecast

UP TURNOVER for the half-to June 30, 1971, of J. Coral ings (formerly Mark Lane ip), excluding the results of oral and its subsidiaries, ined to £16,244,000, compared £12,400,000 for the corresponding period a year earlier, pre-tax profit was up from 406 to £372,057.

is gives a total pre-tax profit 1.12m. for the 12 months to 30, 1971 (excluding Coral), pared with £1.2m. forecast at ime of the offer for J. Coral, with £606,000 attained for the ious year.

M. Lane, chairman, says over the last four weeks of 2 months margins were poor, h resulted in a higher turnthan anticipated on which ased betting duty was payable.

e result was that the profit med at the £1.12m. figure ied by June 4 last.

oup turnover of Coral for the to June 30, 1971, amounted 24,741,596 (£22,753,896), and ax profit to £845,246, against merger forecast of £925,000 compared with £685,741 for previous year. Second-half was £455,530 (£377,155 plus 0) arising on a change in nting basis in respect of the sion for betting duty).

directors also refer to the margins of the last few s of the period.

financial year of the eomgroup will end in December year.

ment of an interim dividend e considered at the end of er.

integration of Mark Lane t. Coral is proceeding hly and the Board is confitor the future. Turnover ues to increase in both nies.

Mark Lane and Coral combined are operating on licensed betting offices. her negotiations are in pro and contracts have been tged for acquisition of 13 offices of Russell Myers West Country and the offices of T. B. Morshall in id. With other acquisitions to completion 475 offices should be in operation by the end of the year, the directors state.

Consideration for Russell Myers is £190,000—50 per cent. in cash and 50 per cent. in Coral shares—and for the offices in Scotland £165,000 cash. Net tangible assets of Russell Myers at March 31, 1971, were £50,000 and pre-tax profits £8,000. Assets of the Scottish acquisition include goodwill of the business and freehold properties valued at about £60,000.

Westminster Property

A profit rise from £141,000, pre-tax, to not less than £233,000 for Westminster Property and Investment in the year to September, 1971, is forecast by Mr. R. A. G. Edwards, the chairman, in a letter to shareholders.

At the same time he discloses that a current revaluation of properties, although not yet completed, is likely to throw up a surplus of some £1.2m. on the current book value of £1.55m.

These projections form part of the argument by the Westminster Board against a 110p a share cash offer, subsequently withdrawn, by property man, Mr. David Lewis.

Mr. Edwards tells holders that the profit forecast has been confirmed by auditors and that it is intended to recommend a final dividend of 12½ per cent. to lift the total from 17½ per cent. to 22½ per cent.

F. Austin

Profit of F. Austin (Leyton) rose from £113,299 to £182,150 in the year ended June 30, 1971, after being £22,200 down at half way.

The interim dividend was passed, but the directors are holding the year's payment at 15 per cent.

After tax £80,000 (£51,000), net profit came out at £102,150, against £62,299. Meeting of the company, furniture makers, will be held on October 28.

COMPANY NEWS IN BRIEF

CHANNEL ISLANDS AND INTERNATIONAL INVESTMENT TRUST—Consolidated gross revenue, half year to June 30, 1971, £37,943 (£43,885). Net revenue £36,721 (£23,659) after tax of £15,785 (£14,749). Asset value per £1 Capital share approximately 306p (212p). Directors anticipate that dividend on Income shares for 1971 will be between 7.5 per cent. and 7.75 per cent. (7.375 per cent.).

Statement Page 25

SHEPPERTON STUDIOS (subsidiary of British Lion Holdings)—Results year ended March 31, 1971, reported July 2. Group fixed assets £1,274,402 (£1,304,287), current assets £156,124 (£201,326) and liabilities £416,574 (£447,699). Chairman reports that as last year, studio bookings have begun slowly. He is leaving the chair but will offer himself for re-election to the Board. Meeting, Broadwick House, Broadwick Street, W., August 31, at 10.45 a.m.

TANKER INVESTMENT TRUST—Results for year to March 31, 1971, reported August 10. Investments at market value £1.28m. (£1.12m.) includes holding in London and Overseas Freighters £1.06m. (£920,715). Meeting, 100, Wood Street, E.C., September 6, at 3.30 p.m.

ALLIED INVESTMENTS—Results year to April 30, 1970, reported July 13. Group fixed assets £423,045 (£434,010). Current assets £168,731 (£78,504) and liabilities £108,566 (£75,601). Board continues to look for suitable opportunities. On present evidence current year profits should be not less than those for 1970-71. Meeting, Institute of Chartered Accountants, E.C., August 12, noon.

TEMPLE BAR INVESTMENT TRUST—Pre-tax revenue, half year to June 30, 1971, £187,000 (£164,000). Value of investments and net current assets—including full dollar premium £5,327,000 (£5,731,000). Asset value per Ordinary 122p (106p).

DICKWELLA (HOLDINGS)—No dividend for 1970 (3 per cent.). Loss £267 (£3,094 profit). From general reserve £2,000 (£2,000). Tax nil (£730). Provision for F.E.E.C.'s on 1966 and 1969 dividends nil (£2,941). Dividend nil (£3,150). Forward £2,253 (£1,670). Meeting, October 25, 1971.

MEGGITT HOLDINGS (machine tool makers)—Interim 3 per cent. (same—total 8 per cent. year to October 31, 1970). Sales six months to April 30, 1971, [illegible]

JOHN DALY AND CO. [illegible] ... 18p units. Since end of financial year group has acquired entire share capital of Coca-Cola Bottling Company (Dublin). This acquisition has been partly financed by issue of 13,316 shares at a premium of £5.75 per share. Chairman says that this development together with continued expansion of company's existing operations, offers exciting potential in years ahead.

WILLIAM SOMMERVILLE AND SON (paper makers)—Trading profit for year to May 31, 1971, £91,205 (£131,727). Pre-tax profit £45,436 (£59,469) after depreciation £21,028 (£28,550), etc. Tax £16,099 (£12,347). Net profit £29,337 (£47,122). Already known final 1½ per cent. making 12½ per cent. (19 per cent.). Directors say group is well organised and equipped to take advantage of any improvement in trade but until general level of industrial activity, not only in this country but worldwide rises, it is difficult to envisage this happening.

MIDLAND CATTLE PRODUCTS—Results year to March 31, 1971, reported [illegible]

FREDERICK COOPER (HOLDINGS) (cold-rolled steel strip processors)—Results for year to March 31, 1971 reported [illegible] 10. Fixed assets £634,768 (£590,417). Current assets £1,732,458 (£1,418,136) and liabilities £1,178,159 (£1,008,458). This year directors have contracted for biggest capital expenditure programme in group's history. Although this is unlikely to make any contribution to present year's profits and may create some difficulties due to installation problems, new plant should produce a significant rise in profits next year. In general chairman has greatest confidence in future prosperity. Meeting, Wolverhampton, September 3, at noon.

VITA-TEX (makers of warp knitted, printed, laminated and other knitted fabrics)—Results for the year ended April 30, 1971, reported July 29. Group fixed assets £773,248 (£537,436). Net current assets £668,765 (£749,535). Sales are running 20 per cent. up on last year and margins, while not improving, are at least being maintained. Meeting, Beaconsfield, August 26 at 3 p.m.

DUNBEE-COMBEX-MARX (toys, [illegible]

TURNTEX (CLOTHING)—Results [illegible] £98,532 (£134,831). Chairman says if operating costs can be contained, company should be able to operate more profitably this year, particularly in view of an expansion of 22 per cent. in turnover during the first six months. Despite difficult trading conditions, orders on hand for autumn and winter are at satisfactory level. Meeting, Dublin, September 3, noon.

F. S. RATCLIFFE INDUSTRIES (precision spring manufacturer and painting contractors)—Results year ended April 30, 1971, reported July 28. Group fixed assets £189,114 (£166,372). Net current assets £62,967 (£84,684). Under the terms of agreement concerning acquisition of Arthur Lord and Sons (Rochdale), there is a liability of £10,000 not provided in the accounts. This represents the balance payable to vendors for their shares and is payable in two equal annual instalments. Each instalment falls to be reduced should profits (before tax) of the subsidiary fall below £25,000 for each of years ended [illegible]

W. HENSHALL AND SONS (ADDLESTONE) (manufacturers of aircraft components)—No dividend (7 per cent.) for year to March 31, 1971. Loss £39,7[illegible] (profit £47,484) before tax repayment £17,425 (tax paid £20,643).

GLASS AND METAL HOLDINGS—Turnover, six months ended April 30, 1971, £1,789,563 (£1,622,905), group profit before taxation £235,865 (£200,436). Minorities £16,078 (£7,696). Balance £219,787 (£192,740). Constructional Engineering division has acquired extensive freehold premises adjacent to factory and negotiations now advanced for purchase of two complementary engineering businesses to be integrated under one roof. These companies specialise in precision engineering and manufacture of cold rolled rings. Board considers that by enhancing present management and by extending range of activities of the division, substantial benefits will accrue.

LYNDON HOLDINGS — Results for period ending March 25, 1971, reported [illegible]

The Property Market

BY MICHAEL O'HALLORAN

Maidstone says yes to Argyle Securities

ALTHOUGH an office development permit is a barrier still to be crossed, Argyle Securities has at least won informal permission from Maidstone council for its £9½m. central area scheme which includes more than 300,000 square feet of office space. Considering the importance of this project, I do not expect the permit to be too much of a problem, particularly as there are substantiated rumours of a major company wanting to take the entire accommodation. Unless there are any unforeseen problems, this project should soon be listed as one of Argyle's most exciting and successful developments.

Negotiations for the 70,000 square feet department store within the complex are well advanced, and the 35,000 square feet supermarket is under offer. As the scheme was officially announced only a few weeks ago, it seems fairly safe to predict a full house by opening date. And a substantial return.

Argyle's town centre ambitions have also received a further boost this week—the company beat both Costain and Land and House for the right to redevelop a central part of Ramsgate. The project will include 32,000 square feet of offices, a supermarket (again under offer), shops, an hotel, and a new bus station. It should be quite a fillip for Ramsgate, probably helping to create more interest in the 44-acre industrial estate which Arrowcroft is developing in conjunction with the local authority. This estate should soon be announcing its first tenants, for five out of six small pilot units have been reserved, and negotiations are nearing completion for a further 50,000 square feet.

The industrial scene is also an active one for Argyle. First, the company is about to start work on its 14-acre estate in Norwich. Secondly, it has just applied for planning permission in respect of 21 acres at High Wycombe—an area of high demand at the present time.

Revaluation argument

I am not at all happy about the beginnings of a trend towards property company revaluations on the MEPC defence basis—that is, valuing future developments as if they were in fact completed assets. This technique may be justified in a 'bid' situation, but I certainly cannot support its introduction to everyday use. The figures which this type of calculation produce might be completely accurate. But they could be innocently misleading. Or, at most, deliberately weighted to produce a slanted picture. It is a system too easily abused.

Valuation is an inexact science at the best of times, but figures produced on the traditional basis can at least be taken as a reliable guide. In my opinion, the sums thrown up by the new method anticipate what should not be anticipated in a company report—market conditions, building costs, perhaps financing costs, even politics, etc., for many years ahead. To put it bluntly, it is speculation. Unless both financing and pre-letting have been arranged, the calculation is based upon a series of uncertainties.

Think what could be done with the figures if the revaluation was undertaken by an over-optimistic Board, rather than external professional advisers! With a few large long-term projects included in the total, it might be a decade or more before any major mistake became easy to detect. Profit forecasts by trading companies are limited by the Stock Exchange. I think that it would be a wise precaution for revaluations also to be governed by a time scale. The argument that this restricts the desired flow of information to shareholders really does not hold water.

Town and City, a company for which I have a great regard, has recently revalued on the new basis, and several smaller groups are about to follow suit. With respect, I think that they are wrong to do so. Although their intentions cannot be questioned, I feel that they are setting dangerous precedents.

Overseas buys

Paris property circles report that Hammerson Boz has signed a particularly good office deal in Avenue Marceau. Although the block is subject to a very short leaseback on favourable terms, it will eventually represent an interesting renovation prospect. I suspect that Herring Daw and Manners are involved here. Looking farther afield, Gabriel Harrison was out in Canada for the good of his health before he came winging back last week in time for the Edger offer document. From what I hear, he has added another large office block to the two which Amalgamated already own in Toronto.

OUT AND ABOUT

The London market still holds steady, though it has not been an exciting week for news. No figures have been disclosed, but observers say that stockbrokers W. L. Carr Sons and Co. offered more than £120,000 to win the tender for 21,000 square feet at Ocean House, Little Trinity Lane. This is the space which attracted several tenants at the full asking price when Chamberlain and Willows originally offered it at £95,000. The victors were advised by Herring Daw and Manners.

● Kent is kind to Langcope—a subsidiary of Clearbrook Property Holdings. A few weeks ago, it pre-let a 70,000 square feet office block in Canterbury, and it has now pre-let a major part of a new 25,000 square feet project. Not far away in Ashford, a smaller building due for completion next January has been taken by the Ministry. From what I hear, the company might soon be announcing a fairly large central area deal nearer to its Surrey base.

● Interested in the Australian residential market? If so, you might like to contact Mr. Nathan Beller, possibly the biggest developer of apartments in Melbourne, who is due to arrive in London next week. I gather that he is seeking more U.K. money. He can be contacted via the Institute of Directors.

● MEPC obviously has faith in the future growth of Bury St. Edmunds, for it is buying office investments in addition to building its own. The company has just paid around £375,000 for two adjacent buildings which have a total area of 47,800 square feet. As both are let to the Ministry, and rent reviews are not far away, it seems a fair price. Agents concerned are Fielding Bird and Partners, and Jones Lang Wootton. In a month's time, MEPC's own 37,500 square feet block will be ready, and this will be offered by Hillier Parker May and Rowden acting jointly with Lacey Scott and Sons.

INDUSTRIAL & BUSINESS PROPERTY

COMPANY NOTICES

GEDULD INVESTMENTS LIMITED
(Incorporated in the Republic of South Africa)
formerly GEDULD PROPRIETARY MINES LIMITED
Payment of Coupon 113

Holders of Share Warrants to Bearer are informed that payment of Dividend No. 113 will be made in United Kingdom currency on and after 17th September, 1971 after surrender of Coupon No. 113, as follows:—

	Per R1 Share New Pence
Dividend declared in South African currency, 7 cents, equivalent in United Kingdom currency to	4.08534
South African Non-Resident Shareholders' Tax at 15%	0.61250
	3.47084
United Kingdom Income Tax at 23.75% (see NOTE) on the GROSS amount of the dividend	0.95979
Net Amount	2.50105

Listing forms may be obtained and coupons lodged as follows:—

LONDON
at the London Transfer Office of the Company (entrance for callers: 6, Basinghall Street, LONDON, EC2V 7BS)

PARIS
Lloyds Bank Europe Limited, or Banque de l'Indochine.

SWITZERLAND
Swiss Credit Bank, Zurich, or Swiss Bank Corporation, Basle.

Coupons lodged at the London Transfer Office must be left four clear business days for examination and may be deposited on and after 9th September, 1971 between the hours of 11 a.m. and 3 p.m. (Saturdays excepted).

Coupons lodged in London on the new white Listing Forms and unaccompanied by United Kingdom Inland Revenue Declarations will be paid at 2.59105p. per share. Other coupons, wherever lodged, will be payable at the rate of 3.47084p. per share. It must be noted that the original R2 shares were sub-divided into 2 of R1 each in July, 1969, and the number of shares shown on coupons requires to be doubled.

per pro. UNION CORPORATION (U.K.) LIMITED, London Secretaries.
B. R. AUGARDE.

London Transfer Office:
Princes House,
95, Gresham Street,
LONDON, EC2Y 7BS
13th August, 1971

NOTE: Under the double tax agreement between the United Kingdom and the Republic of South Africa, the South African tax applicable to this payment is allowable as a credit against the United Kingdom tax payable in respect thereof. The deduction of tax at the reduced rate of 23.75% instead of at the standard rate of 38.75% represents an allowance of credit of 15%, the rate of overseas taxation applicable.

Lucas pay offer rejected

BY ROY ROGERS, LABOUR STAFF

PAY OFFERS of between 7 and 8 per cent. for Joseph Lucas clerical workers and foremen have been rejected by their unions as being unacceptable. Further *talks are to follow.*

The Clerical and Administrative Workers Union is claiming substantial increases for the group's 1,500 clerical workers while the Association of Scientific Technical and Managerial Staffs is seeking similar improvements for foremen, superintendents and technical staff.

Grounds

CAWU has rejected an 8 per cent. offer on the grounds that it is worth less than the £3 awarded to Lucas manual workers last month. ASTMS has rejected increases of between £2.50 and £3.30 a week but is more satisfied with a conditions offer which will add 2½ per cent. to double-day shift allowances and increase overtime rates.

Pay talks are also continuing for 800 clerical workers employed at Chrysler's Coventry plants where CAWU and the clerical section of the Transport and General Workers Union have already rejected an offer worth £3 a week for men and £2.64 for women.

About 3,700 manual workers at Chrysler's, Stoke, Coventry, engine plant will meet to-day to consider the management's latest offer of a £2-a-week increase plus a conditions package including increased holiday pay and overtime rates.

Also in Coventry, Triumph *Motors is recalling 1,400* of the 3,000 men laid-off mainly as the result of *sanctions imposed* by 90 internal drivers involved in a manning dispute. A company spokesman said yesterday that the congestion in the factory had eased somewhat although the dispute was still unresolved.

More than 1,000 workers at the Austin-Morris body plant at Swindon, Wilts., started an overtime ban yesterday in protest over threatened redundancies. They also decided not to co-operate with the company on productivity deals.

Scientists in wage claim demonstration

ABOUT 100 Government scientists demonstrated with placards in London yesterday as the Civil Service Arbitration Tribunal began a hearing into their pay claim.

About 17,000 scientists are involved in the dispute, including weathermen, picture restorers at the National Gallery, food analysts, pollution researchers and forensic experts.

Increases of up to 12.7 per cent. have been offered by the Government for some junior grades. But the scientists' union, the Institution of Professional Civil Servants, claims about half those affected would get nothing.

The tribunal's findings are expected to be announced next week.

Offer to be put to Swan Hunter strikers again

BY OUR OWN CORRESPONDENT

SOUTH SHIELDS, August 12.

THE ENDING of the 10-day-old unofficial strike of 2,800 ancilliary workers which has closed the Swan Hunter shipbuilding yards on the Tyne and put another 7,700 men out of jobs, now rests with another mass meeting of the strikers at Wallsend this morning.

The men will be asked to endorse the decision of the national executive of the General and Municipal Workers Union that they should accept the present management offer of £21.15 for the top ancilliary grades. This is the same offer which the men turned down last Sunday in defiance of their union officials and shop stewards.

They want a new top basic of £21.40, the same as paid in Tyne ship repairing yards.

The men's shop stewards have accepted the recommendation from the executive that the latest offer should be taken up.

Union officials are hoping for a full turn-out at to-day's meeting. Only about 1,100 of the strikers turned up last Sunday and the recommendation that they accept the offer was defeated on a vote of 462 to 417, a narrow majority of 45. Many of the men at the meeting did not vote.

The meeting is also being held against the background of the warning by Sir John Hunter, the Swan Hunter chairman, that if the present wave of labour troubles continued in the consortium over pay claims, the yards would inevitably close.

TWO BREWERY STRIKES END

An 11-day strike of workers at Bass Charrington's Cornbrook, Manchester, depot, was called off yesterday at a mass meeting.

Most of the 184 production and delivery workers involved were at the meeting to decide to go back to work to-day so that negotiations for an improved bonus scheme can begin.

Production employees at the Romford brewery of Allied Breweries, who have been on strike for two weeks, decided yesterday to accept an offer of an extra £3.50 a week on job rates, £1.43 on *shift pay*, and an extra day's holiday a year. Normal work will be resumed from Sunday.

Bundesbank buys in bid to steady dollar

BY CHRISTOPHER LORENZ

FRANKFURT, August 12.

FOR THE first time since the closure of the Foreign Exchange market in the week before the floating of the D-Mark last May, the Bundesbank to-day bought a noticeable amount of spot dollars on the Frankfurt market.

The bank's purchase was clearly at attempt to steady the dollar rate, which slid in a fluctuating manner from above DM3.4054 in the morning to about DM3.3795 at the close. The latter represents a revaluation of the D-Mark of 8.3 per cent.

Short-lived

The Bundesbank's purchase was reliably reported to be $39m., made as the mid-day fixing of DM 3.3980 was being set. *This is equivalent to a revaluation* of 7.7 per cent. The bank's action, however, had a very short-lived effect.

Although the dollar had come under pressure early in the morning, after speculative German newspaper reports that the Government and the Bundesbank would not let the Mark float above DM 3.33—a revaluation of virtually 10 per cent.—it firmed gradually. Then the market caught wind of the New York Times report that the American Government had asked the IMF to authorise a widening of the band of fluctuation between the dollar and other currencies, and the dollar quickly fell to just above 3.380.

Not many dealers are prepared to forecast what the next few days will bring. But the feeling is gaining ground that *the Bundesbank will continue* its policy of trying to halt the dollar slide through selective buying.

Mersey docks impress new Ports chairman

BY OUR OWN CORRESPONDENT

LIVERPOOL, August 12.

IMPROVED labour relations in Mersey docks and signs of a halt to the dwindle in trade handled there in recent years were two of the major points which impressed Mr. Philip Chappell, new chairman of the National Ports Council, and his team during a two-day visit to the port.

Mr. Chappell told a Press conference in Liverpool before *returning to London to-night* that they had been impressed by a number of good points. On industrial relations the world was naturally always ready to seize on the things that went wrong. So far this year, however, the number of days lost in the port due to industrial stoppages was down by two-thirds on last year.

They had also been impressed by the fact that the tonnage of dry cargo handled on the Mersey in the first six months of this year had shown a 5 per cent. improvement over the corresponding period last year.

The most impressive aspect, however, had been the £40m. Seaforth Harbour complex where, said Mr. Chappell, the new Mersey Docks and Harbour Company would soon be operating the largest single new port development in the U.K. The NPC had recommended its approval and the necessary Government loans and grants, said Mr. Chappell. He added: "Now it is up to all on Merseyside to turn this major investment into a major story of success."

Everyone realised there were problems which they did not want to gloss over, but it would be wrong to have formed any definite conclusions after a first short visit to meet people and form impressions. There was much more than Seaforth to the Port of Liverpool, including the framework to improve the marketing of the rest of Merseyside's facilities.

Mr. Chappell felt, however, that there was *room* for improvement in communications between management and the port workers who seemed in many cases, so far, not to have appreciated the *opportunities* that lay ahead although there was a recognised fear of redundancy in an area of high unemployment.

Earlier, Mr. Chappell had been shown round the multi-million pound development at the Vittoria dock at Birkenhead carried out by the Holt and Clan Lines so that the Far East trade can be more efficiently handled.

Sir R. Hayward retires from P.O. Board

SIR RICHARD HAYWARD, the Post Office *industrial relations* chief, has retired because of ill health. Former deputy general secretar yof the Union of Post Office Workers, he was appointed to his present job in October, 1969.

Sir Richard had a difficult role to play during the ten-week Post Office *strike*, and there is little doubt that the work and worry led to his collapse shortly before the committee of inquiry sat.

Ill health has prevented Sir Richard attending any of the corporation's Board meetings since then.

APPOINTMENTS

Chairman change at Greene King

Sir Hugh Greene

Sir Hugh Greene has been appointed chairman of GREENE KING AND SONS, *in succession* to Mr. J. H. A. Clarke who will relinquish the chairmanship in November.

Sir Hugh was elected to the Board in 1964. He was director general of the BBC from 1960-1969. Mr. Clarke joined the Board in 1934 and was managing director for 24 years until 1969, when he became chairman. He will remain a member of the Board.

*

Mr. Vaughan Thursby-Pelham has been appointed to the Board of the ZOCKOLL GROUP as financial director.

*

Mr. John Shearsmith has been appointed director of HONEYWELL'S test systems division, Hemel plant. He has been divisional manager since 1968.

*

Mr. Martyn E. Webb has joined the Board of AMEECO (*PLANT*).

*

Mr. W. Johnston, a director of County Bank, has been appointed *deputy head* of the investment division of NATIONAL WESTMINSTER BANK.

Mr. H. K. H. Oxley, manager of the Westminster Foreign Bank's branch in Brussels since *1962*, has been promoted to the new post of regional general manager for Belgium.

*

Mr. Fred Wickstead, director of production and supply operations, Rank Xerox, has been appointed vice-president, manufacturing and logistics, from *September* 1, for XEROX CORPORATION, the U.S. parent.

Mr. D. R. Portman, who has been Mr. Wickstead's deputy director, has been made director of the production and supply operations division of Rank Xerox from the same date.

*

Mr. C. E. Wilkinson has joined the Board of HYDRAULIC SERVICES (CHESTERFIELD), a member of the Boddy Industries Group.

*

Mr. Paul A. Davies has been appointed a director and general manager of J. SAVILLE GORDON (TUBES AND FITTINGS).

*

Mr. L. J. C. Street has been appointed *commercial* director of PERRY BARR METAL COMPANY (Birmid Qualcast Group).

*

Mr. R. P. d'Ambrumenil has been appointed a director and deputy chairman of NORMAN FRIZZELL MOTOR AND GENERAL.

*

Mr. David G. Bury, secretary, accountant; Mr. Alexander S. Fisher, works manager; and Mr. *Leslie J. Kent*, general sales manager have joined the Board of *PARSONS PEEBLES DISTRIBUTION TRANSFORMERS*, a member of the Reyrolle Parsons Group.

*

Mr. Harley J. Watson has been appointed managing director of DRAGONARA INTERNATIONAL HOTELS (Ladbrokes).

*

Mr. Leonard Grosbard has been appointed managing director of SPEAR AND JACKSON (Spear and Jackson International).

*

Mr. Walter L. Crossley has been elected a director of DOW BANKING CORPORATION. Mr. Crossley joined Dow as senior adviser to the London branch when it was opened in 1970 following his retirement as chief general manager of the Westminster Bank.

*

On the formation of the P and O bulk shipping division, the chairman of Trident Tankers, Lord Geddes, and the Board of directors formally resigned yesterday with the exception of Mr. E. P. Stuart-Williams who becomes chairman and Mr. A. B. Marshall who remains as a director.

Mr. L. J. A. Collins, secretary of the Peninsular and Oriental Steam Navigation Company, has been appointed a director. All the retiring directors are taking up appointments within the new P and O group reorganisation. The P and O bulk shipping division becomes operative from August 16.

See Page 6

'ON THE BUSES' SMASH HIT

"On the *Buses*," a *film* based on the ITV show, has broken box office records during its first week on general release. It has grossed more than £100,000 in five days.

THE GRIQUALAND EXPLORATION AND FINANCE COMPANY LIMITED

(Incorporated in England)

SCHEME OF ARRANGEMENT UNDER SECTION 206 OF THE UNITED KINGDOM COMPANIES ACT, 1948

CIRCULAR TO SHAREHOLDERS

1. At the meeting of shareholders convened by the High Court of Justice in England and at the Extraordinary General Meeting of the Company held on 27th May, 1971, resolutions were passed approving, without modification, the Scheme of Arrangement between the Company and its shareholders set out in the Company's circular dated 30th April, 1971.
2. The Scheme was approved by the High Court of Justice in England on 12th July, 1971, and it is proposed that the court order will be registered with the Registrar of Companies in England on Tuesday 31st August, 1971. Consequently, the Scheme will become operative on that day.
3. The Supreme Court of the Republic of South Africa has made an Order under section 203 of the South African Companies Act, 1926 (as amended) vesting in the new South African public company, The Griqualand Exploration and Finance Company Limited ("Gefsa"), with effect from the operative date, the whole of the undertaking and assets of the Company.
4. On 31st August, 1971 the name of the Company will be changed to The Griqualand Exploration and Finance Company (U.K.) Limited.
5. Pursuant to the terms of the Scheme the existing shares of the Company having a nominal value of 12½p each will be replaced by shares of a nominal value of 25 cents each in Gefsa which will be allotted to shareholders of the Company registered at the close of business on 30th August, 1971, on the basis of 1 new share for each share held in the Company.
6. It is not intended to call in existing share certificates for replacement by new certificates and certificates for shares in the Company will be treated for all purposes as certificates for the equivalent number of shares in Gefsa and will constitute "good delivery" on both the Johannesburg stock exchange and the stock exchange London. However, new certificates relating to the Gefsa shares will be issued on request or in respect of transfers of shares registered on and after 31st August, 1971.
7. Permission will be sought to deal in and for quotation for the shares of Gefsa on The Stock Exchange, London, and application will be made for a primary listing of those securities on the Johannesburg Stock Exchange, in both cases with effect from 31st August, 1971.
8. With effect from 31st August, 1971, the principal and branch registers of Gefsa will be kept respectively at the transfer offices of Gefsa as follows:
   In South Africa:
   Consolidated Share Registrars Limited,
   62, Marshall Street,
   JOHANNESBURG.
   In the United Kingdom:
   Charter Consolidated Limited,
   Kent House,
   Station Road,
   ASHFORD, KENT,
   England.
9. Existing certificates for the Company's shares which bear an endorsement stating that the shares are transferable on a particular register, will, after 31st August 1971, be accepted for registration of transfer at either of the above transfer offices.
10. Dividends on Gefsa's shares will be declared and paid in the currency of the Republic of South Africa, but payments from the United Kingdom transfer office will be made in United Kingdom currency calculated by reference to the rate of exchange ruling on a date to be determined by the Directors or at a rate not materially different therefrom.
11. Dividend payments made to non-residents of the Republic of South Africa (as defined by the South African Exchange Control regulations) will be subject to deduction of the appropriate rate of South African non-resident shareholders' tax. Dividend payments made by the United Kingdom transfer office to shareholders or their agents in the United Kingdom will be subject to deduction of United Kingdom Income Tax at the reduced rate applicable.
12. Subject to any relevant Exchange Control restrictions, all mandates in force immediately before the Scheme becomes operative relating to the payment of dividends on the Company's shares, will until revoked be deemed to remain in force in relation to dividends on the Gefsa shares.
13. Notice is hereby given that the transfer registers and registers of members in respect of the Company's shares will be closed at the close of business on 30th August, 1971, and that those in respect of the Gefsa shares will be opened on 31st August, 1971.

By Order of the Board
GENERAL MINING AND FINANCE CORPORATION LIMITED
Secretaries
per: H. T. W. TROMP

General Mining Building,
6, Hollard Street,
Johannesburg.
10th August, 1971.
London Office:
Friars House,
39/41, New Broad Street,
LONDON, EC2M 1NJ

U.K. Registrars and Transfer Office:
Charter Consolidated Limited,
Kent House, Station Road,
ASHFORD, KENT.
England

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OGILVY & MATHER

INTERNATIONAL INC.

Advertising

HALF-YEAR RESULTS 1971

Summary of unaudited results for the half-year ended 30 June 1971 with comparative figures for 1970.

	$ 1971	$ 1970
Gross billings	137,550,000	131,250,000
Gross income	20,978,724	20,106,954
Less operating and other expenses	18,574,585	17,313,942
Profit before tax	2,404,139	2,793,012
Taxation	1,265,052	1,543,272
Profit after tax	1,139,087	1,249,740
Earnings per share	99 cents	$1.14
Dividends per share	37.5 cents	32.5 cents

Although profit after tax was down for the first quarter of 1971, it increased by 9.8 per cent in the second quarter—to $876,498 compared with $797,917 for the second quarter of 1970.

A dividend of 17.5 cents per share was paid on 26 February. A dividend of 20 cents per share was paid on 28 May. A further quarterly dividend of 20 cents per share has been declared for payment on 31 August to stockholders of record on 9 August 1971.

These results have been adjusted in two ways since previous yearly and half-yearly reports. Gross billings have been capitalized by multiplying fee and commission income by 6⅔ in accordance with current advertising practice; and operating and other expenses have been revised to exclude United States City and State taxes, which are now included in taxation. The 1970 figures shown for gross income, profit after tax, and earnings and dividends per share, of course remain the same as those reported on August 17, 1970.

BANK LEUMI LE-ISRAEL B.M.

The Directors of Bank Leumi le-Isreel B.M. have declared an Interim Dividend of 7% less Income Tax, on account of the year ending 31st December, 1971. The Dividend will be payable on 15th September, 1971, to stockholders listed in the Register of Members on 23rd August, 1971.

The Interim Dividend of 7%, less Tax, will be payable on the Bank's stock, including the 25% Capitalization Shares allotted in April, 1971, and also on stock deriving from the conversion of Capital Notes during May and June, 1971. The shares issued in accordance with the prospectus published on 30th June, 1971, will be entitled to one half of the above Dividend, i.e. 3½%, less Tax, as stated in the prospectus.

The volume of the Bank's business has continued to show satisfactory growth. Both Demand Deposits and Time and Savings Deposits, including foreign currency accounts, have increased appreciably.

Despite rising costs, it is expected that profits for 1971 will approximate those of 1970.

Transfer Registers will close from 23rd August to 31st August, 1971, both days inclusive. Shares will be quoted in Tel-Aviv ex dividend on 23rd August, 1971.

BERALT TIN AND WOLFRAM LIMITED

Half-yearly Report to Members

The Directors issue the following information relating to results for the six months ended 30th June 1971:

	Half-year ended 30.6.71 £	Half-year ended 30.6.70 £	Year ended 31.12.70 £
Operating profit after charging depreciation	397,232	962,506	1,726,282
Interest receivable	16,896	27,445	81,537
PROFIT BEFORE TAXATION	414,128	989,951	1,787,819
ESTIMATED TAXATION	166,000	445,500	695,512
PROFIT AFTER TAXATION	248,128	544,451	£1,092,307
Interim Dividend—1970	—	231,700	
	£248,128	£312,751	

NOTES:

1. The figures shown for the half-year to 30th June 1971 are unaudited.
2. The serious decline in the market price for Wolfram concentrates substantially reduced the Company's profits for the half year. This, coupled with continuing capital expenditure, which is being contained as far as possible, has temporarily exhausted the Company's cash resources and necessitates the raising of substantial short term bank facilities. No interim dividend, therefore, will be paid. In view of current uncertainties both as to concentrates prices and demand it is not possible to forecast the outcome of operations for the full year.

By Order of the Board,
For and on behalf of
CHARTER CONSOLIDATED LIMITED,
Secretaries.
C. R. Teldeman.

Registered Office:
40 Holborn Viaduct,
London, EC1P 1AJ.
12th August 1971.

Share Transfer Office of Secretaries,
Kent House, Station Road,
Ashford, Kent.

THE NOTTINGHAM MANUFACTURING COMPANY, LIMITED

INTERIM REPORT for the six months ended 30th June 1971. Group profit (unaudited) for the six months to the 30th June 1971 is as follows:—

	6 months 1971	6 months 1970
Profit before taxation	£2,504,000	£2,155,000
Profit after taxation	£1,502,000	£1,266,000

Having regard to seasonal factors, the sales and profit for the first six months of the calendar year are normally less than those of the second six months.

The 1970 figures have been adjusted to reflect the reductions in the rate of Corporation Tax.

The Directors have declared an interim dividend of 8 per cent., less income tax (1970—4 per cent.), in respect of the year ending 31st December 1971 on the Ordinary Shares and on the Non-Voting "A" Ordinary Shares. This will be paid on the 28th October 1971. The increase in the rate of the interim dividend is to reduce the disparity between the interim and final dividends.

INTERIM STATEMENTS

The John Lewis Partnership

Half Year Ended 31st July 1971

Estimated results of John Lewis Partnership Limited and of its principal subsidiaries

(Figures in £000's)

	John Lewis Partnership Limited Consolidated Results 1971	1970	John Lewis and Company Limited and its Subsidiaries 1971	1970	Suburban & Provincial Stores Limited and its Subsidiaries 1971	1970	John Lewis Properties Limited 1971	1970
TURNOVER	62,147	52,786	62,147	52,786	22,912	20,269	—	—
TRADING PROFIT after depreciation but before interest	3,637	3,095	3,642	3,098	1,228	981	1,087	616
PROFIT after payment of interest	3,072	2,637	3,077	2,640	1,146	895	859	415
TAXATION on profits used to pay preference dividends	253	281	95	105	44	49	19	22
PREFERENCE DIVIDENDS:								
Subsidiaries	142	142	78	78	7	7	—	—
The Company	238	238	64	64	60	60	29	29
SURPLUS available for profit sharing and, subject to further taxation, for inter-company dividends and reserves	2,439	1,976	2,840	2,393	1,035	779	811	364

Estimated results of the John Lewis Partnership Limited group for the half year ended 31.7.71 are given above together with estimated results of John Lewis and Company Limited and Suburban & Provincial Stores Limited and their Subsidiaries and John Lewis Properties Limited. The allocation for profit sharing and, subject to further taxation, for inter-company dividends and reserves, can only be settled on the results for the full year.

Total sales rose by £9.3 million (17¾ per cent) to £62.1 million. Department Store sales increased by 12 per cent to £43.0 million, sales in Waitrose supermarkets by 35 per cent to £18.1 million and wholesale and manufacturing sales by 4 per cent to £1,082,000.

These results take into account losses arising from the cuts in selling prices of stocks, on which purchase tax had already been paid, following the reduction in the rates of purchase tax announced on 19.7.71. Despite this adverse factor and steep rises in costs, it was satisfactory that trading profit increased from £3,095,000 to £3,637,000, an increase of nearly 18 per cent.

In the second half year the Partnership is budgeting for an increase of a little over 9 per cent in its department store sales and further expansion is planned for the food trade. A satisfactory increase in turnover is expected for the year as a whole; particularly after the measures announced by the Chancellor of the Exchequer on 19th July. Although costs will undoubtedly continue to rise steeply, notwithstanding the reduction in S.E.T., the profits for the whole year are also expected to rise satisfactorily.

IMPERIAL METAL INDUSTRIES LIMITED

Interim Report for the Half Year to June 30th 1971

The Directors of Imperial Metal Industries Limited announce the following unaudited trading results for the Group for the first half of 1971 with comparative figures for 1970

1970 First six months £ million	1970 Year £ million		1971 First six months £ million
106.8	207.8	Sales to external customers	91.0
6.4	11.1	Profit before taxation	5.9
$\boxed{2.4}$	$\boxed{4.9}$	After charging depreciation	$\boxed{2.6}$
2.6	3.7	Taxation (after deducting proportion of Investment Grants)	2.0
3.8	7.4	Profit after taxation	3.9
0.4	0.8	Applicable to minority shareholders of subsidiaries	0.4
3.4	6.6	Profit after taxation applicable to shareholders of Imperial Metal Industries Limited	3.5

Notes: 1 *The above figures exclude profits or losses on metal stocks. There was a loss of £0.1m before tax in the six months to 30th June, compared with a loss of about £0.5m in the corresponding period of 1970.*

2 *The taxation charge for the first half of 1971 is based on a Corporation Tax rate of 40%. The charge has been reduced by a credit for investment grants of £0.2m and also by one half of the over-provision of £0.2m for 1970, resulting from the retrospective reduction in the rate of Corporation Tax from 1st April 1970.*

3 *Group profit for the full year 1970 is after providing £1.5m against possible losses on Rolls-Royce contracts. No part of that provision has been released in the first half of 1971 and it is not yet possible to say how much can be released to profits in 1971.*

Most of the fall in sales value between the first half of 1971 and the corresponding period of 1970 has been due to the substantially lower copper prices. Sales volume is, however, down by about 5%.

Profits have been affected by a fall in demand and a contraction of margins in the Refinery Division and by a fall in sales to Rolls-Royce, but these adverse factors have been partially offset by improved results elsewhere.

The Directors have declared an Interim Dividend at the rate of 5% (1970 4½%) payable, after deduction of income tax, on 7th October 1971 to shareholders on the Register on 10th September 1971. The increase in the rate of Interim Dividend is intended solely to reduce the disparity between the Interim and Final Dividends and should not be construed as indicating an intention to increase the total distribution for 1971.

Together with the income tax payable to the Inland Revenue, the Interim Dividend will absorb £1.9 million.

Y. J. LOVELL (HOLDINGS) LTD.

INTERIM STATEMENT FOR HALF-YEAR to 31st MARCH 1971

The results of the Lovell Group for the half-year to 31st March are detailed hereunder:—

	6 months to 31.3.71 £	6 months to 31.3.70 £	12 months to 30.9.70 £
Contracting & Allied Trades	Profit 117,000	Loss 109,000	Profit 335,987
Timber Group	Profit 16,000	Loss 87,000	Loss 78,454
	Group Profit (before tax) £133,000	Group Lost £196,000	Group Profit (before tax) £257,533

In the current half-year, increased profits have accrued in the two principal divisions of the Group—Construction and Developments—while the Timber division has shown a marked improvement. Due provision has been made in the above statement for losses amounting to £105,300 incurred in the period under review on the Portsdown Housing contract which was particularly referred to in the last Annual Report.

The Board expects that for the full year to 30th September 1971 the profits of the Group as a whole will show a satisfactory improvement over those of 1969/70.

August 1971

NORCROS LIMITED

Interim Report

for the 26 weeks ended 30th May, 1971

On 12th August, 1971, the Directors declared an interim dividend of 9.0%, 2.2p per share (1970 8.33%: 2.08p per share) less Income tax payable on the 27th November, 1971 to holders of ordinary shares on the Register at the close of business on the 23rd October, 1971. This dividend will absorb £345,208 of profit attributable to the Group.

Norcros Limited reports profits available for appropriation of £806,000 for the half year compared with £647,000 for the corresponding period of last year. Earnings for Ordinary shareholders increased by 28% to £735,000 representing 4.79 pence per share, compared with £576,000 last year representing 3.75 pence per share. Corporation Tax has been provided at 40% (1970 45%) and all figures are subject to audit.

	Group Year ending 28th Nov., 1971 1st half year (£'000)	Group Year ended 29th Nov., 1970 1st half year (£'000)	Full year (£'000)
Group Sales			
United Kingdom	14,661	12,864	27,069
Exports from United Kingdom	1,093	1,142	2,718
Overseas	1,890	1,744	3,760
	£17,644	£15,750	£33,547
Group Trading Profit	1,591	1,373	3,438
Share of profits of Associated Companies	35	29	49
Investment Income (*Less* receivable from Associated Company)	9	27	60
	1,635	1,429	3,547
Interest Payable:			
On moneys borrowed, repayable within 5 years	(116)	(115)	(277)
On other moneys borrowed	(106)	(106)	(250)
Profit before taxation	1,413	1,208	3,020
Taxation	(578)	(557)	(1,280)
Profit after Taxation	836	661	1,740
Minority shareholders Interest	(10)	(5)	(25)
Profit retained by Associated Companies	(19)	1	9
Profit available for Appropriation	806	647	1,724
Preference Dividend	(71)	(71)	(143)
Earnings for Ordinary Shareholders	£735	£576	£1,581
Earnings per Ordinary share	4.79p	3.75p	10.30p
Average number of Employees in Group	6,325	6,311	6,363
External Sales per Group Employee (Annual Rate)	£5,579	£4,994	£5,272

Group Profits before taxation for the half year were £1,413,000 showing an increase of 16.9% over last year. This increase was achieved as a result of continued progress by all divisions, in the United Kingdom and Overseas.

Group sales have continued to grow amounting to £17,644,000 for the first half of the current year compared with £15,750,000 the corresponding figure last year.

Notes: The comparative figures for the first half of last year have been redisplayed to include the results of Associated Companies.

In accordance with the special resolution approved on 22nd January, 1971 establishing the "Norcros Incentive Scheme", 652,070 Special Ordinary Shares were issued on 22nd February, 1971. The earnings per ordinary share of fully diluted share capital would be 4.60p for the half year ended 30th May, 1971.

CHANNEL ISLANDS & INTERNATIONAL INVESTMENT TRUST LIMITED

P.O. Box 73,
37 Broad Street,
St. Helier,
JERSEY.
12th August, 1971.

To: The Income and Capital Shareholders:

HALF-YEARLY STATEMENT

The unaudited Accounts of the Company for the half-year ended 30th June, 1971, show the following results:—

	1971	1970
The Consolidated Gross Revenue of the Company was	£57,943	£43,885
The Management and other Expenses absorbed	£ 5,437	£ 5,247
	£52,506	£38,638
Provision for Jersey and Other Taxation (after taking into account United Kingdom tax recovered of £11,000 in respect of the year 1970) amounts to	£15,785	£14,749
Leaving a consolidated net revenue of	£36,721	£23,889
The consolidated net assets of the Company attributable to the Capital Shareholders, including Investments at market value on 30th June, 1970 amounted to	£1,529,495	£1,057,624

equivalent to approximately 306p (212p) per £1 Capital Share

Subject to unforeseen circumstances, the Directors anticipate that the dividend on the Income Shares for the year ended 31st December, 1971, will be between 7½ and 7¾%.

Market values of Foreign Currency Securities have been converted into Sterling at 75% of the Investment Dollar Premium ruling at the date of valuation.

GROVE SERVICES LIMITED.
Secretaries.

LAMBERT HOWARTH GROUP LIMITED

INTERIM REPORT

The Directors announce the following unaudited result for the 24 weeks ended 19th June, 1971. Comparative figures are for the 28 weeks ended 20th June, 1970.

	1971 £	1970 £
Turnover	3,039,333	2,012,073
Group Trading Profit	214,694	103,139
Before charging Depreciation and Amount written off Lasts, Knives and Moulds of	81,450	46,131
Group Profit before Taxation	133,244	57,008
Corporation Tax—Estimated	48,000	25,000
Group Profit after Taxation	85,244	32,008
Dividends (Gross)—		
Preference—Paid	2,910	3,334
Interim Ordinary—declared	30,000	18,000
	52,334	10,874

An Interim Ordinary Dividend of 5% actual (1970—3%) has been declared and will be paid on 17th September 1971 to members on the register at the close of business on 20th August, 1971.

I am pleased to record improved profits, which confirms the forecast made in the statement at the Annual General Meeting in April last.

This improvement has been brought about through a substantially increased turnover as compared with the same period last year, and improved efficiency within the organisation.

The profit in our business is traditionally greater in the second half of the year, but the strong incidence of higher costs makes it difficult to forecast what our annual profit will be. I am hopeful, however, that we will be able to maintain the present trend.

C. L. Howarth,
Chairman.

WALL STREET + OVERSEAS MARKETS

Dow jumps 12.6 with volume up 4.5m.

BY OUR WALL STREET CORRESPONDENT

NEW YORK, August 12.

BUOYANT CONDITIONS returned to Wall Street to-day, when active buying and short-covering sent prices widely higher.

The Dow Jones Industrial Average opened 9.05 up at $55.40 and continued to rise to $59.01 by the close, for a net gain of 12.63, while the Nyse All common Index moved up 73 cents to $53.0. Volume shot ahead by 4.54m. shares to 15.91m., while advances led declines by 1,121 to 318.

Apart from the bargain hunting and short-covering, optimism was inspired in part by Press reports of a U.S. request to the International Monetary Fund to increase the "swing" allowed in currency dealings.

Also in the background, there was some speculation that the Nixon Administration may announce a tax cut, as soon as this weekend. One market analyst said the speculation was "plausible" and mirrored a suggestion made by Democratic Presidential contender Edmund Muskie yesterday.

Some analysts are looking for this technical rally to continue for the next few days. They believe that the list has discounted "a lot of bad news" and is now recouping some of its losses due to *purely* internal factors.

Blue Chips gainers included Du Pont, up $2 to $142½, Allied Chemical, up $½ to $30¾ and Union Carbide, also up $½ to $43½.

Westinghouse advanced $1½ to $84½—its plan to build floating nuclear power plants in assembly line fashion has received a great deal of play in the Press.

Among Retailers, Sears rose $1 to $87, and Woolworth were lifted "Glamours" outpaced the $2 to $48.

market, with IBM climbing another $5½ to $296¾. Burroughs advanced $2½ to $122¾ on the introduction of three new electronic calculators.

Motors responded to the Chrysler chairman's suggestion that the Administration drop the 7 per cent. car excise tax generated. Ford put on the best performance, rising $1½ to $63½. General Motors added $¾ at $77, Chrysler rose $¾ to $26½ and American Motors firmed $¼ to $6¾.

Oils showed generally good gains. Standard of New Jersey improved $7⁄8 to $75⅞, Getty put on $1 to $83¾. Atlantic Richfield advanced $2½ to $69⅞, and Mobile stiffened $½ to $52. Amerada Hess, however slipped $¾ to $58¾.

Western Union, the most active issue, dropped $3 to $38 on an adverse Press report. Natomas reacted $2½ to $81¾.

Southwest Forest gained $1¾ to $17¾—it terminated negotiations on a proposed acquisition of a major portion of Riegel Paper's operation. Riegel Paper eased $¾ to $17; although Riegel now plans to merge its paper and real estate activities into Federal Paper Board, which fell $1¾ to $29.

Mohasco moved up $¾ to $32¾ on earnings of 43 (30) cents per share.

The American SE also advanced in fairly active trading. The Index climbed 21 cents to $24.01 in a volume of 4.09m. (2.55m.) shares, while gains led losses by four-to-one.

Oils were good, with Imperial Oil ahead $1¼ at $28 and Dome Petroleum jumped $2½ to $111½. Bow Valley Industries climbed $1¾ to $31½—it has substantial Artic land holdings.

Rank Organisation added $1, as did Dome Petroleum, International Utilities improved $1½, Pacific Petroleum tacked on $1 and Canadian Pacific advanced $1½. But Canadian General Securities "A" slipped $1.

SWITZERLAND—Markets were narrowly mixed in dull trading. Swissair rose Frs.5. Banks closed steady to slightly firmer but Financials were irregular. Insurances tended higher while Chemicals, Foods and Engineerings were mixed.

State Bonds were steady.

In the Foreign sector, Dollar stocks firmed in active trading, with Burroughs, IBM and Litton *particularly firm*. Dutch shares were higher, led by Unilever, while German stocks closed steady.

AMSTERDAM—In mixed local Industrials, Oce-Van Der Grinten weakened Fls.3 but Albert Heijn rose Fls.5.5. Banks firmed, led by Algemene Bank Nederland, which advanced Fls.3.5. Plantations were mixed. Investment Funds improved. Insurances were predominantly lower, Shippings narrowly mixed.

State Loans eased.

Most Internationals also eased, partly on currency uncertainties. Unilever, however, moved up Fls.2.4.

STOCKHOLM—Still irregular.

GERMANY — Market closed quietly firm but below the day's best, with initial gains on Investment Fund buying later pared following the fixing of the dollar at a new low against the mark.

Leading Chemicals were little changed. Cassella gained DM5 in "secondary" issues, but Goldschmidt fell DM4.

BRUSSELS—Generally easier in average trading. Societe Generale, however, rose Frs.15. Petrofina Frs.20, Wagon-Lits Frs.6, Hoboken fell Frs.150 and ACEC Frs. 12. Arbed, Union Miniere, Sofina and Cie Lambert also were easier.

Foreign stocks were mostly higher. But Philips eased and Unilever were dull in an otherwise firm Dutch section. Germans dull, while Golds were steady.

PARIS—Bourse again mixed but dealers noted a more resistant undertone. Attention is still centred on the current monetary situation, which inspires no real confidence.

American stocks were well maintained in line with overnight Wall Street. Unilever were little changed, while South African Minings slipped back.

OSLO—Industrials were irregular, while Shipping tended firmer. *Small buying only was noted for* Banking shares.

VIENNA—generally depressed in very quiet trading. Banks were maintained.

COPENHAGEN—Generally well maintained in fair dealings. There were a number of small gains, especially in Banks.

JOHANNESBURG—After opening easy Golds rallied on London buying and the high bullion fixing, which pulled most sectors off the bottom. Vaal Reefs and Western Reefs were lower, however, on details of the proposed merger.

Lonrho were steady following the signing of an agreement to acquire Wankel.

In Industrials, new issue Sumcor gained a couple of cents. Stores were generally firmer.

TOKYO—Market reached a new peak on selective buying. But general trading was rather limited at 230m. (340m.) shares.

Electricals firmed on selective buying. Sony rose Yen30 to Yen3,330, T.D.K. Electronics put on Yen18 to Yen780, Alps were up Yen22 to Yen698 and Pioneer improved Yen37 to Yen994.

Some Constructions also attracted buyers with Wakachiku Construction closing at Yen475, up Yen13, Toyo Construction at Yen598, up Yen12, and Daito Kogyo at Yen548, up Yen16.

Private Railways reacted, with Tokyo Electric Railway closing at Yen179, down Yen8 and Odakyu Electric Railway at Yen192, down Yen11.

AUSTRALIA — Mines were mixed, but with a firmer undertone, Oils were variable while Industrials were slightly higher.

Mining "heavyweights" were generally firmer, with W.M.C. adding 16 cents at $3.42, Hamersley 15 cents at $3.62 and M.I.M. 3 cents at $3.29. But Peko Wallsend slipped 4 cents to $9.

Pancontinental recovered 15 cents to $1.20 and Meekatharra firmed 5 cents to $1.58. Queensland Mines fell 50 cents to $12.50 and Kathleen Investments lost 20 cent to £6.70.

Leonora closed 4 cents higher at 15 cents, after 17 cents, but the directors knew "no reason for the rise."

Among Oils, some members of the Basin Consortium failed to hold Wednesday's gains. Bridge came back 4 cents to 33 cents, and Basin also lost 4 cents to 24 cents. Vamgas held firm at 40 cents while Santos added 5 cents at $3.80.

Industrials were highlighted by A.M.I. which rose 38 cents to $1.13 in reaction to the offer from Thiess Holdings, off 5 cents to $3.35.

OTHER MARKETS

Canada up again

Canadian Stock Markets made further headway in light trading yesterday morning. Industrials rose 2.32 on index. Western Oils were up 4.14, Papers put on 0.31, Banks gained 0.16 and Utilities firmed 0.04. Golds further declined 1.44.

Indices

NEW YORK

DOW JONES AVERAGES

Close	Home Bonds	Transport ‡	Indus. *	Util. ⊕	Trading volume† 000's
Aug. 12	69.95	215.37	859.01	115.15	15,910
11	69.86	209.26	846.58	112.68	11,570
10	69.97	206.06	839.59	112.16	8,460
9	70.15	205.12	842.66	111.93	8,110
6	70.27	206.93	850.81	112.23	9,490
5	70.15	206.45	849.46	112.75	12,100
4	70.19	203.61	844.92	115.24	16,410
3	70.24	205.55	850.03	114.74	13,490
1971 High	71.98 (6.4)	232.79 (22/4)	950.82 (22/4)	128.39 (19/1)	—
Low	68.82 (4/1)	168.70 (4/1)	830.57 (4/1)	111.93 (9/8)	—

* All-time high 995.15 (9/2/66) ‡ All-time high 279.88 (7/2/69) ⊕ All-time high 163.32 (20/4/65) † Excluding bonds.

IND DIVIDEND YIELD p.c.

Aug. 6	Aug. 2	Aug. 5 1970
3.75	3.73	4.40

N.Y. SE ALL COMMON INDEX

Dec. 31, 1965=50.

1971 High	1971 Low	Thurs.	Wed.	Tues.	Mon.	Fri.
57.76 (28/4)	49.73 (4/1)	53.03	52.29	51.66	51.66	52.07

RISES AND FALLS

Issues traded	Up	Down	Unchanged
1,683	1,121	318	244

1970/71	Thurs.	Wed.	Tues.	Mon.	Fri.
New Highs	14	6	2	1	Nil
" Lows	49	65	132	125	90

AMERICAN SE ALL STOCKS AVERAGE

1971	Thurs.	Wed.	Tues.	Mon.	Fri.
High 26.89 (28/4) Low 22.72 (4/1)	24.61	24.40	24.21	24.25	24.37
Volume (000's)	4,090	2,558	2,340	2,060	1,895

STANDARD AND POORS U.S. STOCK INDICES

	*Industrials	†Composite
Aug. 12	105.53	96.00
11	104.29	94.66
10	103.00	93.54
9	102.99	93.53
6	103.80	94.25
5	103.81	94.08
4	103.37	93.99
1971 High	113.64 (25/4)	104.77 (28/4)
1971 Low	99.73 (4/1)	91.15 (4/1)

* 425 Industrials. † 425 Industrials, 50 Utilities and 25 Rails. (1941=10.)

STOCK AND BOND YIELDS

	Aug. 11	Aug. 5	Aug. 12 1970
Industrial div. yield pc	3.04	3.06	3.97
Price-earning ratio	17.57	17.42	13.17
Long-term Govt. Bds. yield pc	6.21	6.23	6.85

MOST ACTIVE STOCKS

	Shares traded	Closing price	Change on day
Western Union	436,100	38	−3
Amer. Nat. Gas	329,200	36½	−¼
Sony	226,400	19½	+½
Litton Industries	221,600	26¾	−¼
Gulf Oil	139,900	29¾	−¼
Natomas	139,700	81¾	−2¾
Texas Gulf Sulphur	137,600	16¾	+¾
Evans Products	134,600	40¾	−½
Reynolds Metals	132,200	19½	−1¼

TORONTO

INDUSTRIAL INDEX

Closed August 2

Aug. 12	Aug. 11	High 1971	Low 1971
176.3	174.73	188.74 (2/1)	173.64 (19.8)

MONTREAL

INDUSTRIAL INDEX

Aug. 12	Aug. 11	High 1971	Low 1971
182.15	180.22	188.59 (20.4)	176.50 (4.7)

COMBINED INDEX

Aug. 12	Aug. 11	High 1971	Low 1971
180.13	177.76	185.02 (20.4)	173.85 (22.2)

JOHANNESBURG

	Aug. 12	Aug. 11	High	Low
Industrials†	195.6	194.7	212.4 (8/8)	163.8 (3/1)
Golds†	81.3	82.7	90.3 (19.4)	73.7 (13/7)

(1966=100.) Source: Rand Daily Mail.

AUSTRALIA

MELBOURNE YIELD INDICES

Av'ge yield on 60 Leading Stocks	Aug. 12	Aug. 6	July 29
On Dividends	5.64	5.63	5.55
On Earnings	9.62	9.95	9.55

SYDNEY ALL ORD. INDEX

Aug. 12	Aug. 11	High 1971	Low 1971
475.34	474.27	516.51 (4/1)	474.67 (11/8)

TOKYO

NEW SE INDEX

Base=100 January 4, 1968.

Aug. 12	+ or −	Div. %	Yield %
206.74	+0.39	11.90	9.90

	High	Low
1971	206.74 (12/8)	145.83 (5/1)

EUROPE

	Aug. 12	Previous	1971 High	1971 Low
Belg'm (m)	105.22	105.20	106.74 (30/7)	92.18 (5/1)
France (bb)	78.0	77.8	79.2 (28/7)	74.8 (5/1)
Germany*	105.62	105.77	112.71 (23/2)	94.98 (5/1)
Holland (o)	121.4	121.5	128.0 (6/4)	112.6 (6/1)
Italy‡	(c) 60.36	(c) 60.36	60.09 (5/3)	48.94 (12/7)
Sweden (p)	283.08	283.6	292.71 (23/6)	245.71 (6/1)
Switz'rl'd **	408.6	411.5	412.9 (10/8)	353.5 (4/1)

* Herstatt Index. ‡ Base amended to January 2, 1962, from December, 1959. **Swiss Bank Corporation Index base 100 December, 1958. (b) Basis 100 December 29, 1967. (c) Closed. (m) Base date amended from 1953 to 1963. (o) Adjusted now quoted on basis 1963=100 and no longer 1953=100. (p) Base date December 29, 1956. (bb) New index introduced by Paris Bourse Committee basis 1961=100.

MONEY + EXCHANGES

Shorter credit supply

Bank Rate 6% (April 1, 1971)

Credit was in shorter supply generally in the Discount market yesterday. The authorities bought a large amount of Treasury bills. A shortage was carried over by the banks from the previous day, and revenue transfers to the Exchequer outweighed Government disbursements, while there was a net Treasury bill take-up to finance.

A rate of 5½ per cent. to 5¾ per cent. was bid for day-to-day loans in the earlier stages, but conditions were *uneven*, and 5½-5¾ per cent. was commonly paid for a time. Late deals were done at 4⅞-5¼ per cent.

In the inter-bank market, overnight loans commanded 5¼-5¾ per cent. in places to start with. 4¾ per cent. was touched in the afternoon, before a late rise to 5½ per cent. Fixed period rates in the various markets were again subject to modest, mixed movements.

Aug. 12	Sterling certificates of deposit	Inter-bank	Local Authority deposits*	Local Auth. negotiable bonds	Finance house deposits	Inter-company loans	Discount market deposits	Treasury bills⊕	Bank bills⊕	Fine trade bills
Overnight	—	4¾-5⅝	4¾-6¾	—	—	5¾-6¼	4⅜-5¾	—	—	—
2-days notice	—	—	5⅝-5⅝	—	—	6-6¼	—	—	—	—
†7-days or 7-days notice	—	6½-6⅝	6½-6¾	—	—	6⅛-6⅝	4¼-5¾	—	—	—
One-month	6⅛-6¾	[illegible]-5⅞	6¾-6⅞	6.10-6.60	5¾	6⅜-6¾	—	—	—	—
Two-months	6-6⅞	[illegible]	5⅞	6.15-6.70	5½	6¼-6⅜	—	5⅝	[illegible]	—
Three-months	[illegible]	5⅞-6	5⅞-6[illegible]	6.17-5.85	6⅛	6½-6⅞	—	5[illegible]	[illegible]	[illegible]
Six-months	6¼-6⅛	6⅛-6¼	6⅛-6⅜	6.25-6.17	6⅜	6⅞-7⅛	—	—	[illegible]	[illegible]
Nine-months	6½-6⅜	6⅜-6⅝	6⅜-6⅝	6.33-6.27	6⅝-6¾	6¾-7¼	—	—	—	—
One-year	6⅝-6½	6⅝-6[illegible]	6¾-6[illegible]	6.60-6.57	6⅞-7	7¼-7⅜	—	—	—	—
Two-years	7⅝-7¼	7¼-7⅜	7[illegible]	7.21-7.00	—	—	—	—	—	—

† Local authorities 7-days' notice, others 7-days' fixed. * Longer term mortgage rates: three-years 7½-8 per cent., four-years 8-8[illegible] per cent., and five-years 8¼-8⅝ per cent. ⊕ Rates given are for buying. Selling rates for Treasury bills, 5 35-64ths per cent. [illegible] 5 17-32 per cent. for two-months and 5 39-64ths or 5 9-16 per cent. for three-months: selling rates for bank bills about 5[illegible] per cent., and for trade bills about 5¾-6 per cent. Rates on bank bills are on those eligible for re-discount at Bank of England. Finance House Base Rate (published by the Finance Houses Association) 6½ per cent. from August 2.

EXCHANGES AND BULLION

Sterling closed around $2.41 [illegible] for the second day running, in spite of the change in the settlement date. The overseas trade figures for July appeared to have a beneficial effect, while general pressure on the dollar continued, particularly with short-term Euro-dollars easing in some cases. Forward sterling strengthened appreciably, with the one-month pound at [illegible] cent premium on the dollar, while the 3-month discount on sterling narrowed [illegible] to [illegible], the 6-month [illegible] to [illegible], and the 12-month a full ¼ to 1 [illegible]. The mark gained 2.20pf. on balance to Dm.3.3830, and the guilder 2.25 cents to Fl.3.4550, while the Swiss franc advanced 1.52½ cent. to Frs. 4.0450. There was some late selling of dollars. The French franc remained at its official ceiling, as did the Italian lira and the Belgian franc. Canadian dollars gained 9 points to 98.71½ U.S. cents. Japanese yen were at their official ceiling.

Gold was fixed at $43.22½ (£17.865) an ounce in the morning, and at $43.25 (£17.876) in the afternoon. On Wednesday, the respective fixings were $42.75 (£17.668) and $42.85 (£17.708). A fairly good business was done, and the closing quotation was $43.20-$43.40, for a net gain of 40 cents. New sovereigns were unchanged at $10.65-10.75, but old eased to $12.70-12.80, from $12.75-12.95. The Double Eagle was unchanged, at $67½-68½, as was the single, at $34-35, but the half softened $¼ to $27½-28½. The 20-mark piece, against the trend, rose $¼ to $25½-26½. In Zurich, gold ended at $43.15-43.35, up 35 cents on the day. Gold was fixed at $42.63 an ounce in Paris at noon, up 5 cents, but fell back to $42.38 at the afternoon fixing. The one-kilogramme ingot gained 2 cents an ounce to $42.54. Turnover at the Bourse meeting was Frs.[illegible] against Wednesday's Frs.[illegible] Hong Kong lowered gold 23 [illegible] cents an ounce to $44.27.

EXCHANGE CROSS-RATES

Aug. 12	Frankfurt	New York	Paris	Brussels	London	Amsterdam	Zurich
Frankfurt	—	3.384-385	(U)	(U)	(U)	(U)	(U)
N.York	29.68-70	—	18.18-18	2.017 018	2.4198 4200	29.0-03	24.75 75
Paris	182 10 30	5.5127 35	—	11.1095-1155	13.354-344	159 28-40	135.80-90½
Brussels	14.60 ½	49.62-65	9.0-01½	—	120.06-08	14.33¾-34¼	12.23½-24
London	8.18 19	2.41¾-42	13.33⅞ 7⅛	120.0-10	—	8.35½-36½	9.75-79
Am'd'm	101.63 68	3.46½-¼	62.79½ 84½	6.977⅛-985⅛	8.37-1⅛	—	85.34½ 39½
Zurich	119.31-51	4.0655-85	73.65-62	2.17-12	9.8150-8200	117.19-35	—

U.S. $ on Montreal 1.01[illegible]. Canadian $ on New York 0.9877-9880. Milan on New York 618.50. Milan on London 1498.50 (U) Unavailable.

EURO-CURRENCY INTEREST RATES

Aug. 12	Sterling	U.S. dollar	Canadian dollar	Dutch guilder	W.German mark	Swiss franc
‡Short-term	6½-7	7⅛-8⅛	—	—	2¼-8	0-¾
7-days' notice	—	7¾-8¼	—	—	2¼-6	0-¾
Month	7¼-7¾	7⅝ 8⅛	5¾-6	4⅜-5⅛	6¼ 5⅞	1½-2¼
Three-months	7¾ 8¼	7⅝ 8⅛	6¼-6½	4⅜-4⅞	6¾ 6⅛	2½ 3⅛
Six-months	8⅛ 8⅜	7⅝ 8⅛	[illegible] 6[illegible]	6⅜ 5⅞	6¼-6⅝	4¼ 4¾
One-year	8½-9	7[illegible] 7[illegible]	7⅛-7⅝	8-8½	6⅝-7¼	4¾-5⅜

Longer-term rates for U.S. dollars as follows: two-years 8-8¼ per cent., three-years 8¼-8½ per cent., four-years 8¼-8¾ per cent., and five-years 8¼-8¾ per cent.

The following rates were quoted for London dollar certificates of deposit: one-month 8 1-16-7 15-16 per cent., three-months 9 1-16-7 15-16 per cent., six-months 8-7¾ per cent., one-year 8-7¾ per cent., two-years 8¼-8 per cent., three-years 8¼-8¼ per cent., four-years 8¼-8¾ per cent., and five-years 8¾-8½ per cent.

‡Short-term rates are call for Sterling, U.S. dollars and Canadian dollars, and two-days' notice for Guilders, Marks and Swiss francs.

FOREIGN EXCHANGES

Aug. 12 1971	Bank Rate %	Day's Spread	Close
New York	5	2.415⅛-42	[illegible]
Montreal	5¼	2.447⅛-451½	[illegible]
Amst'dam	5½	8.641½-421½	[illegible]
Brussels	5	119.80-120.15	[illegible]
Copenh'gn	7½	18.12-14½	[illegible]
Frankfurt	5	8.16-24½	[illegible]
Lisbon	3¾	68.65-69.05	[illegible]
Madrid	6††	167.85-168.25	[illegible]
Milan	5	1,500-05	[illegible]
Oslo	4½	17.18 17.17½	[illegible]
Paris	6¾	13.321½ 35	[illegible]
Stockh'lm	6	12.47-49½	[illegible]
Tokyo	5¼	852½-865½	[illegible]
Vienna	5	60.15-40	[illegible]
Zurich	3¾	9.76-83	[illegible]

N.B. Bank of England official [illegible] U.S. $2.38-42. Δ Bank of Portugal [illegible] rate. †† Basic discount rate.

OTHER MARKET RATES

Australia	2.1429-1514	Malaysia	[illegible]
N.Zealand	2.1367-1462	Argentina	[illegible]
S.Africa	1.7121-1207		[illegible]
†India	5.5280-5605	Brazil	[illegible]
†♠Pakistn	3.737-63		[illegible]
Ceylon	14.170-302	France	[illegible]
*Hng Kng	14.550-614	W.G'm'y	[illegible]
Luxemb'g	120.00-10	Spain	[illegible]
Belgium	¶119¼-120¼	Greece	[illegible]
Italy	♦¶1495-1530	Switzerl'd	[illegible]
Holland	¶8.25-50	Austria	[illegible]

¶ Note rates quoted by specialist [illegible]. Other rates may be quoted [illegible]. † £'s per 100 Rps. ♠ Tourists receive 45 per cent. bonus on foreign currency surrendered to banks in Pakistan. [illegible] for all denominations. * Hong Kong [illegible] in the pound.

U.S., Canada 98.70-98.73.

FORWARD RATES

—	One month	Three months
New York	[illegible] c dis	[illegible] c. [illegible]
Montreal	[illegible] c. pm	1½-[illegible] c. pm
Amst'dam	2 1½ c. pm	7-6½ c. pm
Brussels	95-65 c. pm	172-[illegible]
Copenh'n	2 ore pm 3 dis	2-7 ore dis
Frankfurt	2 1½ pf. pm	4⅛-4 pf. pm
Lisbon	15 c. pm-05 dis	25 c. pm [illegible]
Milan	4¾-2¾ lire pm	2-6 lire [illegible]
Oslo	6-1 ore pm	12-7 ore [illegible]
Paris	7½-4½ c. pm	19¼-15¼ [illegible]
Stockh'lm	1 ore pm par	1 ore [illegible]
Vienna	35 05 gro. pm	55 30 gro [illegible]
Zurich	5¾ 4¾ c. pm	13½ 12½ c. [illegible]

OVERSEAS SHARE INFORMATION

Investment $ Premium 22¼% (22⅛%)

NEW YORK

Stock	Aug. 12	Aug. 11
RAILROADS		
[illegible]	[illegible]	[illegible]
INDUSTRIALS, ETC.		
[illegible]	[illegible]	[illegible]

Stock	Aug. 12	Aug. 11
Fruehauf	42¼	41⅜
Crane	24⅝	24⅛
[illegible]	[illegible]	[illegible]

Stock	Aug. 12	Aug. 11
Ling-T'mco-V'ght	13	13⅝
Litton Indus.	26¼	26½
[illegible]	[illegible]	[illegible]

Stock	Aug. 12	Aug. 11
Sterling Drugs	44¾	43¾
[illegible]	[illegible]	[illegible]

Stock	Aug. 12	Aug. 11
Crocker Nat. C.P.	34⅞	34⅝
[illegible]	[illegible]	[illegible]

PUBLIC UTILITIES

Stock	Aug. 12	Aug. 11
[illegible]	[illegible]	[illegible]

TRUSTS, BANKS & BONDS

Stock	Aug. 12	Aug. 11
[illegible]	[illegible]	[illegible]

TORONTO

Stock	Aug. 12	Aug. 11
[illegible]	[illegible]	[illegible]

MONTREAL

Stock	Aug. 12	Aug. 11
[illegible]	[illegible]	[illegible]

GERMANY

Aug. 12	Price Dm	+ or −	Div. %	Yld. %
6%Fed.Loan(1971)	90⅝	−⅛	2	2.7
A.E.G. Dm.(50)	175.1	−1.4	16	4.6
AllianzV'raDm50	390	+5	12	1.6
Audi NSU (Dm50)	148.5	−0.5	—	—
B.M.W. (Dm 50)	†172	+3	12	3.5
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AMSTERDAM

Aug. 12	Price Fls.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

OSLO

Aug. 12	Price Kroner	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

PARIS

Aug. 12	Prices Frs.	+ or −	Div. Frs.	Yld. %
Rentes 4½pc 1952	175.2	−0.8	3.5	2.0
Air Liquide	415	+9	10.23	2.5
Aquitaine	660	−2	13.84	2.1
Banque Ind. Chine	311	−4	2.09	2.0
Beghin	163.1	−1	7.39	4.6
Bouygues Soochon	1,250	+7	21.69	1.7
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

BRUSSELS

Aug. 12	Price Frs.	+ or −	Div. Frs.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

SWITZERLAND

Aug. 12	Price Frs.	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

VIENNA

Aug. 12	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

MILAN

Aug. 6	Price Lire	+ or −	Div. Lire	Yld. %
Alitalia Priv.	10,270	−10	—	—
ANIC	842		60	6.9
Bastogi	2,089	+14	25	4.0
Breda	4,570	−49	165	3.6
Burgo	2,010	+10	316	3.5
Centrol	11,049	+89	320	2.9
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

TOKYO

Aug. 12	Price Yen	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

Source Nikko Securities, Tokyo.

STOCKHOLM

Aug. 12	Price Kroner	+ or −	Div. Kr.	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

COPENHAGEN

Aug. 12	Price %	+ or −	Div. %	Yld. %
[illegible]	[illegible]	[illegible]	[illegible]	[illegible]

AUSTRALIA

Aug. 12	Aus. $
Acrow Australia	1.34-1[illegible]
AdelaideBrightonCem't50c	†1.43
Ampol Exploration	1.12-1.1[illegible]
Ampol Petroleum	0.[illegible]-1.0[illegible]
Assoc. Minerals	5.0-5.15
Assoc. Portland Cement	0.94-0.9[illegible]
[illegible]	[illegible]

JOHANNESBURG

MINES	
[illegible]	[illegible]
INDUSTRIALS	
[illegible]	[illegible]

هكذا من الأصل

STOCK EXCHANGE REPORT

Good trade news provides further boost for equities

Share index up 5.7 for two-day gain of 15.3 at 408.6

ACCOUNT DEALING DATES

First Dealings	Option Declarations	Last Dealings	Account Day
July 26	Aug. 5	Aug. 6	Aug. 17
Aug. 9	Aug. 19	Aug. 20	Sept. 1
Aug. 23	Sept 2	Sept 3	Sept 14

" New time " dealings may take place from 5 p.m. three business days earlier.

A quiet and hesitant start in equity stock markets yesterday gave way to a much brighter showing after the noon announcement of the July trade figures. Wednesday's smart rise in the leaders was resumed, still in generally quiet trading, and helped by reports of a good early rise in New York yesterday the closing tone was buoyant. The Financial Times Industrial Ordinary share index rose 5.7 at the close of 408.6 for a two-day jump of 15.3 points, nearly 4 per cent. At last night's close, the index was only 4.6 below its 1971 peak of 413.2 recorded on July 27, since when, chiefly on lack of buyers because of currency fears, it has been down to 389.5.

Demand for the leaders was less keen on Wednesday, but the thin state of the market caused further gains of up to about 10p. The spill-over into second-line issues showed clearly in the rises to falls ratio in F.T.-quoted issues which expanded from the previous day's ... to 5:1 yesterday. Official markings, at 11,775, picked up to about the recent daily average compared with Wednesday's 9,947.

Most sections made good headway with Life Insurances outstanding in the Financial sector where Banks and Properties also showed well. The Oil leaders were in good demand again, while ... Eastern were prominent on the proposed tie-up with Woodside and Burmah of Australia.

Gilts firm

Although the market in British Funds remained thin and rather ... , prices made another firm showing. Already up to ¼ better in front of the July trade figures, mediums and longs improved further on them to close with widespread gains ranging up to ... The shorts moved steadily ... throughout the day and ... with rises extending to ... activity in this section was also at a low level, although a fair amount of interest developed in the late trading. There was a good two-way trade in Corporations and, with buyers gaining the upper hand, prices closed up to ¼ better. Commonwealth issues were quietly firm.

U.S. market influences encouraged fairly widespread buying of investment dollars and the premium ended ¼-point up at the day's highest rate of 22¾ per cent. Hudson's Bay, in Canadians turned sharply better at 930p for a gain of 62p.

Banks higher

Following Wednesday's late spurt, home Banks made further good progress, especially in the "after-hours" trading. Closing gains ranged between 12p and 17p. Scottish Banks were also good, National and Commercial adding 5p at 145p. In firm Merchant Banks, Hill Samuel were 5p better at 125p. Mercantile Credit, 10p up at 182p, and UDT, 5p higher at 199p, were outstandingly better in Hire Purchases. Insurances were in good form throughout the list and Life Offices were particularly in favour; Prudential added 14p at 173p and Pearl 12p at 268p. In Composites, General Accident, 189p, and "Royals," 394p, were both 6p better. Brokers were neglected and only a little better in places.

Once again Watney Mann provided the main feature in Breweries, rising afresh to 130p on some heavy buying before easing back slightly on the denial of bid rumours by the chairman to close at 129p, still up 5½p on the day. IDV improved 2p to 74p in sympathy. Truman Hanbury held steady at 452p, but Grand Metropolitan Hotels regained 2p to 181p.

Buildings were again looking good with gains fairly widespread. Associated Portland Cement rose 7p to 364p, while rises of 6p took place in Bovis, 204p, R. Costain, 177p, Northern Developments, 242p, and Johnson-Richards, 326p. Marley improved 4½p to 109p, while similar improvements were seen in Wimpey, 176p, and Southerns-Evans, 84p. Benford Concrete Machinery put on 2½p to 67½p; the interim results are expected soon. Following the rejection of the bid from Thomas Roberts (Westminster), Constable Hart were 3p higher at 35p.

ICI, in increased turnover, rose 4p to a peak for the year of 330p. Burt Boulton improved 5p to 130p following the increased dividend and sharply higher profits, while Laporte Industries were 3½p to the good at 93½p.

After consideration of the results, Westward TV hardened 1p more to 35p. Howard and Wyndham, however, fell 6p to 38p through lack of support.

Plessey good

Leading Electricals saw a fair day's business and prices generally improved. Plessey were in good demand and closed 5p higher at 125p, while EMI, cheered by the Wall Street rally, gained another 5p to 146p. GEC, after Wednesday's late rise of 4½p, were only 1p harder at 152p. Thorn put on 3p more to 406p. Secondary issues were mainly firm again, but Aberdare Holdings receded 2½p further to 15½p. Lec Refrigeration remained a good market, adding 4½p more at 84p, while Pifco "A" moved up 10p more to 345p and Westinghouse Brake closed 6p better at 285p.

Currys were a prominent late feature in Stores at 260p, up 14p. Also notably firm were Debenhams, 11p higher at 228p, following demand in a thin market. Austin-Reed "A" rallied 5p to 350p, while gains of 3p were seen in Burton Group "A", 224p, and Dixons Photographic, 84p. Marks and Spencer firmed 4p to 294p. In generally better Mail Orders, Freemans (London) put on 4p to 148p.

Lambert Howarth responded to the increased interim dividend and profits with a gain of 4p to 60p, while W. Timpson were 2p harder at 66p.

Awaiting the interim figures, issued well after market hours, Guest Keen edged up 4p to 400p, in a generally firm Engineering sector. Tube Investments rose 12p to 454p, Blackwood Hodge the same amount to 292p, and Ransomes Sims gained 8p at 127p. Revived investment demand lifted John Brown 6p to 157p and, on Press comment, Anglo-Swiss jumped 16p to 60p. Greenwood and Batley warmed to the chairman's indication of a good recovery in profits and rose 4p to 40p. BSA managed a small rally to 20½p, after 22p, but on late news that Wellman, 1½p harder at 41p, had withdrawn its bid, Fluidrive fell 17½p to 287½p. Imperial Metal touched 66p after the interim results, but rallied late to close 1½p up on balance at 72p. In Shipbuildings, demand in a thin market helped Doxford and Sunderland rise 8p to 48p, after 49½p.

Rank "A" better

In line with the early firmness on Wall Street, Rank Organisation "A" pushed ahead to 860p before ending 35p better at 849p after quite a good business. Still on the interim results, Hoover "A" hardened 5p further to 478p, while J. Coral Holdings improved 3p to 130p following the figures. Cowan de Groot "A" were notable at 62p, up 5p, while similar rises were seen in U.K. Optical, 98p, Lancaster Carpets, 251p, and Restmor, 94p. Tremletts were a lively market and put on 9p to 170p, but Norcros came back 2p to 174p after the results. De la Rue were good again at 225p, up 8p, while "Mams," 138p, and Turner and Newall, 151p, gained 8p and 7p respectively. Liden rose 1½p to 26½p on the interim results.

Foods moved into higher ground, but rises were usually small. Allied Suppliers gained 4p more to 256p, while Tate and Lyle, 158½p, and Ranks Hovis, 128p put on 1½p and 2p respectively. Reckitt and Colman advanced 10p to 293p and Unigate were 8p better at 126p. Bovril, in quieter trading, receded 3p to 475p, while Cavenham and Rowntree Mackintosh again held steady at 99p and 505p respectively. Supermarkets continued to make progress: Moores Stores, 27p, and Wheatsheaf, 140p, had rises of 3p and 4p respectively.

Motor Components were noteworthy for a 10p rise to 266p in Lucas and a 5p gain to 124p in Dowty, but reflecting the production cuts, Dunlop remained at 146p. Honchin moved up 4p to 76p on the increased dividend and profits, while Automotive Products picked up 50p at 565p. In Garages, Lex improved 6p to 222p and Bristol Street 5p to 130p. Aircrafts were featured by renewed firmness in Hawker Siddeley, up 7p at 223p.

Following the Rolls-Royce statement, the Loan stock rose 6 points to £61 and the debentures all improved by 4 points, with the exception of the 4 per cent., which gained 2 points at £100.

Properties surge on

Properties continued buoyantly, scoring fresh gains of up to 28p, as in Hammerson "A" at 460p. City Wall jumped 13p to 175p, while rises of 8p to 12p occurred in United Real, 235p, Stock Conversion, 502p, and Central and District, 168p. Both Star and Amalgamated Investment returned to favour and closed 7p higher at 213p and 332p respectively. Alliance were one of the rare dull spots at 112p, down 7p, on profit-taking.

Newspapers were in better fettle and, among Publishers, Morgan-Grampian advanced 7p to 107p after the chairman's comments about current trading. Hopes that the latter half might prove better than the poor first six months helped Bowater firm 4p to 152p.

Oils good again

Oils had another good day. Further investment and institutional buying took British Petroleum up 13p more to 625p, while Burmah rose 8p to 455p and Shell gained 6p at 411p; closing prices were the day's best. Ultramar, already firm at 288p, moved ahead to 293p, up 12p on the overnight level, following the interim figures. Anglo-Ecuadorian were the exception; after opening lower at 83p on overnight Canadian and U.S. selling, the price rallied slightly to end 8p down on balance at 87p. News of the proposed merger attracted support for Mid-Eastern, 11p higher at 51p, after 54p, and Woodside, 2p harder at 68p.

Trusts closed with widespread gains. Rothschild Investment appreciated 10p to 480p and Triplevest Capital 15p to 295p, while rises of about 7p occurred in New Throgmorton Capital, 159p, and Tokengate Investment, 151p. Sterling Guarantee displayed fresh strength in Financials, advancing 16p to 325p, while Drakes made further good progress, ending 12p at 200p. Jessel Securities added 9p at 260p and J. H. Vavasseur 5p at 170p, while Inchcape, after the previous day's 19p advance, rose 9p more to 402p. Neville Group opened easier at 72p on the results, but rallied at 74p, only ½p off on balance.

Textiles made a firm showing with Courtaulds improving 2p more to 130p. Coats Patons gained a similar amount at 81½p, while H. R. Howard rose 3p to 75p. Press comment left Radley Fashions 4p higher at 58p.

Rubbers encountered profit-taking after the recent rise stimulated by Sime Darby's 55p bid for Seafield and prices closed with an easier bias. Seafield, which have risen well above the offer on hopes of a higher bid, came back 6p to 57p in quite active trading. Golden Hope reacted 2p to 43½p and Guthrie 3p to 210p. Sungei Krian, however, moved ahead 15p to 360p. Further scattered gains occurred in quiet Teas. Ceylon Tea Plantations, after the full report, were another 3p up at 142p.

Recovery in Golds

A recovery in the free market bullion price caused renewed firmness in Gold shares, where rises ranged to 15p as in West Drie, 965p. East Drie put on 6p to 186p. Publication of the mining rationalisation scheme proposals left Vaal Reefs (572p), Western Reefs (280p) and Southvaal (173p) hardly changed.

In Financials, Anglo American hardened 2p to 355p, while Gold Fields edged up 3p to 252p. Following confirmation of the Wankel deal, Lonrho jumped 6p to 88p after touching 91p.

Belated reaction to the upgrading of the Inyati mine's copper reserves put Coronation 5p higher at 70p. London and Continental demand coupled with a shortage of stock caused a 13p rise to 198p in "Tanks."

Australian issues continued almost neglected although Pancontinental were subject to renewed speculative interest, adding 10p at 60p. Investment demand lifted Western Mining a further 4p to 156p.

Despite a setback in the metal price, Tin shares came in for some modest buying. Further consideration of the higher profits for the year to June added 5p to Malayan Tin at 145p while Gopeng put on 8p at 165p; both prices were current year highs.

Buying in front of the half year results put Beralt Tin and Wolfram up to 240p at one stage; however, with the sharp drop in profits and the passing of the interim dividend the price fell back to 27p lower on balance at a 1971 low of 208p.

Cessation of the recent Irish selling and firmness in Canada rallied Tara Exploration 30p to 705p.

FINANCIAL TIMES STOCK INDICES

—	August 12	August 11	August 10	August 9	August 6	August 5	A Year ago
Government Sec.	74.68	74.37	74.11	74.30	74.34	73.94	70.47
Fixed Interest	74.26	74.10	73.99	74.11	74.03	73.88	72.33
Industrial Ordinary*	408.0	402.9	393.3	395.8	395.9	394.8	338.3
Gold Mines	58.1	57.7	58.5	58.3	57.5	58.8	48.9
Ord. Div. Yield pc	3.72	3.75	3.84	3.82	3.82	3.92	4.94
Earnings Yield pc (a)	5.80	5.97	0.00	5.97	5.25	5.96	5.74
P/E Ratio (a)	17.23	17.04	18.68	16.75	15.77	10.79	14.93
Dealings Marked	11.775	9.947	11.064	11.827	11.494	11.520	7.182

*10.30 a.m 403.0 Noon 404.4 2.45 p.m 407.2

(a) Based on 40% corporation tax from March 30, 1971. Latest Index 01-243 3035

HIGHS AND LOWS

—	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Govt. Secs.	75.74 (16/7/71)	68.85 (4/1/71)	127.4 (9/1/35)	64.21 (11/6/69)
Fixed Int.	74.77 (16/7/71)	69.63 (4/1/71)	150.0 (28/11/47)	07.13 (11/6/69)
Ind. Ord.	413.2 (27/7/71)	305.3 (3/3/71)	521.2 (19/9/68)	49.4 (23/5/40)
Gold Mines	51.3 (18/3/71)	58.3 (9/7/71)	100.0 (12/9/55)	44.0 (13/1/70)

S.E. ACTIVITY

—	August 12	August 11
Daily—		
Gilt-Edged	168.8	143.2
Industrials	428.4	357.8
Speculative	140.6	133.7
Totals	268.0	220.4
5-day ave—		
Gilt-Edged	158.7	162.3
Industrials	418.0	411.2
Speculative	168.1	178.4
Totals	268.1	257.4

Basis 100 Govt. Secs. 15/10/26. Fixed Int. 1928. Ind. Ord. 1/7/35. Gold Mines 12/9/55. S.E. Activity July-Dec. 1942.

AUTHORISED UNIT TRUSTS (p★★★)

(g) Abacus Management — 11 Mall, Manchester 2.

(n) (b) (c) Equity & Law Un. Tr. M. — Amersham Rd., High Wycombe, Bucks. Equity & Law Unit 47.9 60.4 +8.6 2.07

Family Fund Managers Ltd. — 16, Coleman St., London, E.C.2.

(a) Mallet & Wedderburn Ltd. — 82, Lombard Street, E.C.2. (b) Overseas Units 26.2 27.8 +0.2 1.79

Minster Fund Managers Ltd. — Minster House, E.C.4. Minster Fd Aug. 9 40.5 41.9 ..... 3.10

J. Henry Schroder Wagg & Co Ltd — 120, Cheapside, E.C.2. Capital (Aug. 3) 103.2 105.8 ..... 2.12; (Accum. Units) 107.3 110.0 ..... 2.12; Income (Aug. 3) 114.5 117.2 ..... 4.02; (Accum. Units) 123.6 126.7 ..... 4.02; General (Aug. 11) 01.0 52.8 ..... 2.65

OFFSHORE AND OVERSEAS FUNDS (p★★★)

Albany Management Co. Ltd. — Udility Hs. PO Box 463, Hamilton, Bermuda. Albany Fund Ltd. £5.00 £5.39 ..... 1.00

American Express Inv. Mngmt. Co. — 134, Edward St., Brighton, U.K. Am. Exp'ss. Int. Fd. $8.50 8.15 +0.08 —

Anchusa Co. Ltd. — P.O. Box 185, Hamilton, Bermuda. Japan Gr'wth Fund US$9.66 10.48 ..... —; Do. Do. Stg. Tst. 01.0 87.0 ..... —

Australian Selection Fund N.V. — Lond. Agent Southern Cross Mngmt., Ltd. 55, London Wall, E.C.2. U.S. $10 Shares US$6.60 ..... — Next subscription day Aug. 19.

Banque de L'Union Parisienne — 6-8, Bld. Haussmann, Paris 9e. Tokyo Valor $11.99 −0.07 2.49

Bk. of London and S. America Ltd. — 40-66, Queen Victoria St., E.C.4. Alexander Fund US$6.89 ..... —

Eurosyndicat Group — Euronion Lux F. 1,802 1,968 ..... 3.20; Finance Union Lux F. 510 530 ..... 3.81

Investors Diversified Services — Bertigny 0, Fribourg C.H.

Save & Prosper Distributors Ltd. — P.O. Box 1434, Hamilton, Bermuda. *Dollar Fund £4.71 5.15 ..... —

INSURANCE, PROPERTY, BONDS

STOCK EXCHANGE DEALINGS from the Official List for August 12

Thursday, August 12	11,775	Tuesday, August 10	11,664	Friday, August 6	11,494
Wednesday, August 11	9,947	Monday, August 9	11,527	Thursday, August 5	11,620

The list below gives the prices at which bargains done yesterday by members of the London Stock Exchange were recorded in the Stock Exchange Daily Official List. Members are not obliged to mark bargains except in special cases, and the list cannot, therefore, be regarded as a complete record of prices at which business was done.

Bargains are recorded in the Official List up to 2.15 p.m. only, but later transactions can be included in the following day's Official List. No indication is available as to whether a bargain represents a sale or purchase by members of the public. Markings are not necessarily in order of execution, and only one bargain in any one security at any one price is recorded.

The number of dealings marked in each section follows the name of the section. Unless otherwise denoted shares are £1 fully paid and stock £100 fully paid. Stock Exchange securities are quoted in pounds and fractions of pounds or in new pence and fractions of new pence.

‡Bargains at Special Prices. Δ Bargains done with or between non-members. × Bargains done previous day. § Bargains done with members of a recognised Stock Exchange. ♣ Bargains done for delayed delivery or "no buying-in." $A—$Australian; $B—$Bahamian; $C—$Canadian; $HK—$Hong Kong; $J—$Jamaican; $Ma—$Malayan; $Me—$Mexican; $NZ—$New Zealand; $S—$Singapore; $US—$United States; $WI—$West Indian.

BRITISH FUNDS, ETC. (781)

CORPN. & COUNTY—U.K. (196)

FREE OF STAMP DUTY

PUB. BOARDS, ETC.—U.K. (14)

FREE OF STAMP DUTY

SUBJECT TO STAMP DUTY

COMMONWEALTH GOVT. AND PROVINCIAL SECURITIES (53)

REGISTERED AND INSCRIBED STOCKS

COMMONWEALTH CORPN. STOCKS (3)

FOREIGN STKS., BDS., ETC. (11)

COUPONS PAYABLE IN LONDON

U.K. AND COMMONWEALTH RAILWAYS (12)

FOREIGN RAILWAYS (2)

BANKS & DISCOUNT COS. (481)

BREWERIES & DISTILLS. (237)

CANALS & DOCKS (4)

COMMCL., INDUSTRIAL (6,802)

A—B

British Tools Pressings (25p) 11½⊕
British Vending Inds. (10p) 27⊕ 9 8 30
British Vita (25p) 202
Britton (G.B.) Sons (25p) 26½⊕ 8 7½ 6½
Brocks Group Cos. (10p) 146
Brooke Bond Liebig 6 (25p) 78 ½ 7. 7½pc Ln. 118¼⊕ ½. 7¼pcLn. 77¼⊕ 6¾⊕
Brooke Tool Eng'g (25p) 24
Brotherhood (Peter) (50p) 108
Brown Brother Albany (20p) 150 5
Brown (John) 159 7 6 ½ 5. 5½pcLn. 37 ½
Brown Muff 4½pcDb. 88
Bullough Secs. (20p) 83⊕
Bulmer Lumb (20p) 53½ 4
Burco Dean (25p) 84⊕ 2
Burnholme Forder 12
Burrell (5p) 0¾ ½
Burroughs Machines 3½pcLn. 70
Burton Group (50p) 228. A (50p) 220⊕ 1⊕ 3 2 4 6. 4pc1stDb. 74⊕. 8½pc1stDb.

C—D

Federated Stores (R0.50) 176½ 80½
Feedex (10p) 44⊕ 6
Fenner (J. H.) (25p) 163. A N-V (25p) 168⊕ 2⊕ 2 3½pcPf. 47
Finch (B.) (19p) 38½⊕
Fine Art Dvlpts. (5p) 30 20½
Finlay (James) 255
Firth Cleveland (20p) 120⊕ 30 1 2
Fisons 298⊕ 6⊕ 6 300 2 299 7½. 6pc 2ndDb. 78⊕
Fitch Lovell (20p) 01½⊕ 2½ 2 3 ½ 1½
3½. 7¼pcLn. 71¼
Flavel (Sidney) (20p) 61 59
Fleming (A. B.) (25p) 60
Flight Refuelling (25p) 65⊕
Fluidrive Eng. 208 500 298
Fodens 211 10
Fogarty (E.) (25p) 90 1
Folkes (John) Hefo Non V (5p) 19⊕
Forbuoys (25p) 208
Ford Intnl. Cap. 7¼pcLn. 99¼⊕ 100⊕ ¼

E—F

G—H

I—J—K

L—M

Laird Gp. (25p) 30½⊕ 30 29 ½
Lake Elliot (50p) 108
Lambert Howarth Gp. (20p) 57 9 5 60
Lamson Industs. (25p) 97⊕ 7. 6pcPf. 56½⊕
Lancaster Carpets Eng. (25p) 253⊕ 9 63 57
Lankro Chemicals (25p) 185
Laporte Industs. (Hldgs.) (50p) 89½⊕ 92½ 3 5 3½
Latham (J.) 210
Launderette Invests. (10p) 55 4
Laurence Scott (25p) 50½⊕
Lawdon New 64 1
Lawtex (25p) 30½⊕ 1
Lead Alloys (Hldgs.) (25p) 153
Lec Refrigeration (20p) 80½⊕ 4 3 1 3
Lea (A.) (12½p) 26½ 6 7¼
Lee Cooper (25p) 44⊕ 4 ½ 3
Leeds Assets 10½pcLn. 143½
Lennards 8pcPf. (35p) 14⊕
Lennons Supermarkets (10p) 114⊕
Lep Gp. (10p) 191⊕

N—O—P

Spillman (R. J.) (5p) 92⊕ ½
Purle Bros. Hldgs. (20p) 194
Pye of Cambridge 5½pcPf. 50½⊕ ½

Q—R—S

Qualitex (25p) 44½⊕ 5½⊕ 4½ 5
Queen Street Warehouse (10p) 14½. A (10p) 9½
Quick (H. J.) Group (5p) 24⊕ 3
R.F.C. Hldgs. (25p) 71
R.F.D. Group (10p) 21⊕. 5½pcPf. 44
Racal Electronics (25p) 132⊕ 1. New 133. New 6pcConv. 113 16
Radley Fashions Textiles (25p) 58 60 53 8 62
Rains Engrg. Inds. (5p) 13¼
Randall (J. L.) (10p) 20
Randalls Group (25p) 71⊕
Rank Organisation (25p) 718⊕ 40. A

T—U—V

W—Y—Z

ELEC. LIGHTING & POWER (4)

FINANCIAL TRUSTS, ETC. (271)

GAS (20)

INSURANCE (275)

INVESTMENT TRUSTS (626)

UNIT TRUSTS (4)

IRON, COAL & STEEL

MINES

Australian (33)

Miscellaneous (186)

Rhod. & E. African

South African (11)

F.T.—ACTUARIES SHARE INDICES

These indices are the joint compilation of The Financial Times, The Institute of Actuaries and the Faculty of Actuaries in Edinburgh

EQUITY GROUPS — GROUPS & SUB-SECTIONS

Figures in parentheses after sectional names show number of stocks.

	Equity groups / sub-sections	Thursday, August 12, 1971: Index No.	Day's Change %	With 40% Corporation Tax: Est. Earnings yield %	Est. Price/Earnings Ratio	Div. yield %	Wed. August 11 Index No.	Tues. August 10 Index No.	Monday August 9 Index No.	Friday August 6 Index No.	Year ago (approx) Index No.	1971 High	1971 Low	Since compilation High	Since compilation Low
1	CAPITAL GOODS GROUP (184)	164.89	+1.6	6.08	16.44	5.55	159.97	151.50	152.33	153.17	115.96	158.92 (28/7)	104.03 (2/3)	181.50 (19/9/68)	82.62 (25/6/65)
2	Aircraft and Components (3)	115.71	+1.2	7.20	13.99	5.49	111.54	107.88	108.75	109.62	94.17	113.71 (12/8)	66.40 (3/3)	260.19 (23/9/68)	66.40 (3/3/71)
3	Building Materials (29)	154.47	+1.5	5.06	12.79	3.45	152.10	150.61	151.50	151.59	99.74	137.94 (28/7)	98.30 (2/3)	197.96 (20/8/68)	65.51 (25/6/62)
4	Contracting and Construction (19)	236.30	+1.0	5.91	17.61	9.55	261.69	231.64	231.96	231.02	194.28	236.30 (12/8)	166.63 (26/3)	233.50 (12/8/71)	84.39 (27/6/62)
5	Electrls. (ex. Electrn. Rad. & TV) (13)	275.66	+1.9	5.17	19.32	3.03	265.95	263.15	264.49	265.99	195.69	283.44 (27/7)	174.23 (2/3)	335.11 (17/9/68)	84.71 (25/6/62)
6	Engineering (80)	146.70	+0.8	6.58	15.20	4.28	144.58	143.44	144.57	145.47	114.62	149.28 (28/7)	102.56 (2/3)	160.86 (19/9/68)	62.90 (28/6/62)
7	Machine Tools (15)	67.49	+0.5	7.34	13.63	5.06	67.06	68.70	66.74	66.95	65.89	07.49 (12/8)	43.66 (5/3)	136.70 (4/7/66)	43.86 (5/3/71)
8	Miscellaneous (25)	128.84	+1.0	7.37	12.55	4.48	127.27	195.41	127.97	128.21	115.53	134.65 (28/7)	94.19 (2/3)	144.27 (31/1/69)	39.01 (8/11/65)
9	CONSUMER GOODS (DURABLE) GROUP (56)	170.51	+1.1	5.18	19.30	5.05	168.40	165.92	159.05	167.87	150.03	175.85 (27/7)	117.33 (2/3)	197.87 (15/1/69)	79.95 (25/6/62)
10	Electronics, Radio and TV (14)	180.63	+1.8	5.91	17.81	2.43	178.19	175.90	178.69	177.03	144.65	180.43 (23/7)	128.61 (2/3)	199.26 (19/9/68)	71.15 (6/11/66)
11	Household Goods (15)	193.78	+1.7	5.24	16.04	3.67	182.75	180.83	180.94	180.55	123.43	169.00 (28/7)	113.92 (8/3)	189.00 (28/7/71)	86.65 (28/6/62)
12	Motors and Distributors (27)	115.69	+5.9	4.55	52.27	6.66	115.66	116.48	114.86	115.96	86.88	120.53 (27/7)	78.91 (2/2)	170.59 (15/1/69)	75.96 (24/10/63)
13	CONSUMER GOODS (NON-DURABLE) GROUP (175)	160.53	+1.0	5.59	17.99	5.80	159.56	156.80	156.44	158.26	116.11	164.66 (16/7)	119.17 (3/4)	164.68 (16/7/71)	83.71 (8/11/66)
14	Breweries (21)	191.00	+0.6	5.32	18.15	5.51	160.08	176.19	179.76	179.88	119.71	194.97 (15/7)	125.30 (4/1)	194.97 (15/7/71)	80.39 (30/8/66)
15	Wines and Spirits (7)	170.19	+0.4	5.15	16.51	4.11	169.60	166.25	170.69	170.66	141.74	195.05 (14/7)	142.41 (4/1)	195.03 (14/7/71)	116.76 (15/6/70)
16	Entertainment and Catering (15)	200.98	+1.4	7.16	14.04	5.86	198.26	195.81	199.29	197.99	166.00	614.39 (16/7)	177.99 (2/3)	931.99 (21/1/69)	80.11 (23/7/62)
17	Food Manufacturing (24)	143.51	+0.9	5.61	17.99	3.79	143.19	139.73	140.16	139.24	102.93	143.61 (12/8)	99.74 (2/3)	171.54 (31/1/69)	99.96 (15/6/70)
18	Food Retailing (17)	140.96	+9.7	5.36	18.67	6.58	137.96	136.00	137.69	157.19	99.25	140.96 (12/8)	100.23 (2/3)	163.68 (7/6/68)	94.62 (27/5/70)
19	Newspapers and Publishing (15)	140.74	+1.5	5.10	16.39	5.04	139.99	137.44	137.54	137.50	107.16	148.39 (28/7)	101.66 (13/1)	184.86 (28/1/69)	61.74 (25/7/62)
20	Packaging and Paper (16)	119.46	+5.8	6.70	14.93	4.49	114.48	113.36	113.79	113.61	153.95	120.10 (27/7)	88.91 (2/3)	134.63 (2/1/69)	67.91 (26/6/62)
21	Stores (30)	159.93	+1.4	4.45	26.49	3.04	130.77	148.97	150.96	151.04	100.84	150.54 (27/7)	104.48 (2/3)	160.64 (27/7/71)	72.74 (8/11/66)
22	Textiles (21)	179.16	+5.8	5.76	17.40	5.24	170.78	156.91	170.54	166.42	151.60	177.77 (28/7)	157.91 (2/5)	663.76 (17/9/68)	89.90 (20/7/62)
23	Tobacco (3)	241.65	+1.3	6.61	11.36	5.50	238.77	633.36	233.36	239.18	197.96	254.47 (27/7)	170.06 (20/1)	506.06 (30/1/69)	94.34 (13/6/62)
24	Toys and Games (6)	49.10	+5.3	—	—	5.19	48.97	48.56	48.35	47.64	53.84	69.03 (12/1)	46.48 (4/8)	136.72 (18/1/70)	46.48 (4/8/71)
	OTHER GROUPS														
	Chemicals (19)	191.09	+1.5	6.27	18.97	3.45	188.69	184.51	185.07	184.51	135.30	193.39 (28/7)	138.18 (10/2)	201.92 (31/1/69)	83.29 (25/6/62)
	Office Equipment (10)	196.99	+4.5	3.56	28.07	1.53	188.77	189.24	191.56	190.64	127.95	919.05 (16/7)	153.52 (15/2)	918.05 (16/7/71)	152.12 (26/5/70)
	Shipping (10)	316.44	+0.6	7.40	13.59	5.18	315.84	314.79	318.09	313.88	314.76	363.75 (1/4)	269.75 (16/4)	355.44 (9/10/70)	90.80 (29/6/62)
	Miscellaneous (unclassified) (44)	162.95	+0.6	3.90	16.93	3.78	181.81	179.47	181.42	180.67	129.31	190.35 (27/7)	128.35 (2/5)	190.35 (27/7/71)	76.52 (8/11/66)
	INDUSTRIAL GROUP (498 SHARES)	107.65	+1.6	6.50	17.86	3.65	165.66	163.05	164.53	164.63	—	170.96 (27/7)	120.61 (2/3)	170.96 (27/7/71)	120.61 (2/3/71)
	Oil (2)	356.48	+1.3	5.68	17.51	6.61	391.31	348.53	349.29	650.89	996.25	353.50 (27/7)	255.74 (2/3)	431.65 (29/5/69)	87.63 (29/5/62)
	500 SHARE INDEX	183.68	+1.2	6.61	17.62	3.61	181.06	178.77	180.24	180.18	134.71	187.27 (27/7)	132.46 (2/5)	193.73 (31/1/69)	84.86 (26/6/62)
	FINANCIAL GROUP (121)	172.19	+1.2	—	—	9.77	168.86	167.22	188.57	197.84	115.93	173.44 (28/7)	119.73 (10/2)	173.44 (28/7/71)	59.38 (30/8/66)
	Banks (6)	185.34	+1.7	7.44	13.43	9.74	199.16	179.53	180.84	184.56	103.65	189.94 (27/7)	101.66 (6/1)	189.94 (27/7/71)	69.23 (16/6/64)
	Discount Houses (6)	174.57	+5.2	—	—	4.43	173.68	179.12	170.96	168.49	118.24	178.87 (27/7)	130.72 (6/1)	178.87 (27/7/71)	87.65 (18/6/68)
	Hire Purchase (6)	257.19	+2.5	4.87	20.53	2.99	250.95	247.36	248.24	247.79	170.36	256.39 (19/7)	188.37 (18/1)	266.59 (19/7/71)	80.52 (3/8/65)
	Insurance (Life) (9)	150.94	+5.5	—	—	2.97	143.08	158.96	141.44	141.46	117.62	166.17 (16/7)	123.16 (18/1)	169.93 (16/1/69)	61.35 (30/8/66)
	Insurance (Composite) (9)	153.91	+1.9	—	—	3.19	131.51	135.79	136.79	135.24	80.86	134.50 (28/7)	89.80 (10/2)	134.60 (28/7/71)	54.40 (16/3/65)
	Insurance (Brokers) (10)	179.72	+5.6	6.07	19.71	2.51	171.67	172.02	172.76	172.80	152.97	179.08 (22/7)	118.27 (4/1)	179.08 (22/7/71)	99.69 (24/7/69)
	Investment Trusts (20)	194.48	+1.2	2.92	54.20	9.72	191.15	189.92	191.13	190.24	149.53	198.14 (16/7)	166.15 (2/3)	216.04 (31/1/69)	80.84 (26/6/62)
	Merchant Banks, Issuing Houses (15)	169.49	+1.3	—	—	2.26	167.26	167.32	167.72	164.91	117.21	173.43 (20/7)	108.44 (16/3)	191.23 (14/2/69)	50.47 (15/7/65)
	Property (31)	217.16	+1.0	9.67	37.42	2.21	214.25	912.22	311.56	210.61	138.62	217.13 (12/8)	139.37 (8/3)	217.13 (12/8/71)	59.51 (20/4/65)
	Miscellaneous (9)	172.64	+5.4	5.91	16.92	4.31	171.85	170.91	171.79	171.71	—	179.01 (26/7)	120.73 (4/1)	179.01 (26/7/71)	165.06 (31/12/70)
	ALL-SHARE INDEX (621 SHARES)	180.42	+1.4	—	—	3.41	177.91	175.80	177.93	177.51	128.76	183.66 (27/7)	129.47 (2/3)	183.66 (27/7/71)	83.79 (25/6/62)
	COMMODITY SHARE GROUPS (*Not included in the 500 or All-Share indices*)														
	Rubbers (10)	228.47	−2.4	15.03	9.97	7.75	234.12	266.75	207.06	204.76	136.94	234.12 (11/8)	163.22 (7/5)	234.19 (11/2/71)	84.68 (25/6/65)
	Teas (10)	29.47	+0.2	17.17	6.82	8.27	89.95	29.28	89.19	89.50	72.75	81.06 (15/7)	78.71 (3/3)	114.64 (14/5/64)	39.96 (14/11/66)
	Coppers (4)	328.10	−0.2	64.11	1.85	†	329.68	322.61	323.80	323.01	280.33	350.50 (12/7)	255.80 (21/1)	350.50 (12/7/71)	94.09 (29/4/62)
	Mining Finance (11)	102.56	+0.4	5.62	18.11	3.33	152.15	101.92	152.23	109.24	112.05	108.79 (5/7)	95.00 (2/5)	175.90 (22/4/68)	96.00 (3/3/71)
	Tins (8)	71.37	+1.7	11.12	9.99	2.72	70.21	70.12	70.34	70.92	59.07	74.77 (20/7)	56.11 (4/1)	108.97 (29/6/66)	54.83 (27/6/70)

FIXED INTEREST	Thurs., August 12 Index No.	Thurs., August 12 Yield %	Wed. August 11	Tuesday August 10	Mon. August 9	Friday August 6	Thurs. August 5	Wed. August 4	Year ago (approx)	1971 High	1971 Low	Since Compilation High	Since Compilation Low
Consols 2½% yield	—	9.95	9.35	9.43	9.43	9.46	9.42	9.49	9.52	—	—	—	—
20-yr. Govt. Stocks (5)	79.84	‡8.25	78.40	78.11	78.35	78.42	77.80	77.61	73.56	80.68 (16/7)	70.50 (4/1)	115.42 (11/9/63)	68.43 (15/6/70)
20-yr. Red. Debentures & Loans (15)	76.03	‡10.96	72.03	72.51	71.99	72.17	79.16	72.19	71.08	73.44 (19/7)	68.42 (4/1)	113.43 (25/10/63)	66.59 (16/6/70)
Investment Trusts Prefs. (15)	68.85	10.79	68.96	68.96	68.96	69.31	69.31	69.31	71.50	69.38 (14/6)	66.23 (11/1)	114.41 (15/9/63)	66.23 (11/1/71)
Commercial and Industl. Prefs. (20)	74.09	15.42	73.99	74.15	74.15	74.46	74.35	74.41	75.17	74.43 (6/2)	59.02 (13/1)	114.41 (7/10/65)	59.02 (13/1/71)

Section or Group	Base Date	Base Value
Food Manufacturing	29/12/67	114.13
Food Retailing	29/12/67	114.13
Insurance Brokers	29/12/67	96.67
Hire Finance	29/12/67	100.00
Wines and Spirits	16/1/70	144.76
Toys and Games	16/1/70	135.72
Office Equipment	16/1/70	162.74
Industrial Group	31/12/70	128.20
Miscellaneous Financial	31/12/70	120.06
All Other	10/4/62	100.00

‡ Redemption yield.

F.T.-Actuaries indices are calculated by Extel-Communications Limited (a member of the Exchange Telegraph Group) on an IBM 360 computer.

A current list of constituents of the F.T.-Actuaries Share Indices can be obtained from the Publisher, the Financial Times, Bracken House, Cannon Street, London, EC4P 4BY, price 13p. By post inland 16p. Commonwealth 16p. Foreign 19p.

SHIPPING (136)

RUBBER (187)

TEA & COFFEE (30)

TELEGS. & TELEPHS. (1)

TRAMWAYS & OMNIBUS (6)

WATERWORKS (32)

West African (4)

Diamond (67)

OIL (229)

PROPERTY (521)

SPECIAL LIST

AUGUST 12 (4)

RULE 163 (1) (e)

Bargains marked under Rule 163 (1) (e) in securities for which quotation has not been granted and which are not recorded in the Official List.

AUGUST 12

CORAL INDEX

Close 407½-412½

Option Report and three-month "Call" rates

OPTION DEALING DATES First Dealings	Last Dealings	Last Declaration	For Settlement
Aug. 3	Aug. 16	Oct. 28	Nov. 9
Aug. 17	Aug. 31	Nov. 11	Nov. 23
Sept. 1	Sept. 13	Nov. 25	Dec. 7

A moderate day's business was seen yesterday in the Option market. Stocks favoured for the "call" were Burmah Oil and warrants, Barclay Securities, "Casts," Cannon St. Investments, Lonrho, Giltspur, Mixconcrete, Adepton, Western Mining, G. B. Britton, EMI, Furness Withy, BSA, Glaxo, Sterling Guarantee, Armour Trust, Ultramar, Watney Mann, British Printing, New Day, British Leyland, International Stores, Woolworth, Tesco, Kloof Gold and Loraine.

"Puts" were arranged in Armour Trust and BSA, while double options were completed in Debenhams and "Casts."

Prices in pence unless otherwise indicated

Industrials							
A. P. Cement	18	G.U.S. "A"	22	Reed Intl.	12	**Mines**	
Barclays Bank	35	Guardian	14	Slater Walker	20	Anglo Amer.	25
Beecham	12	Guest Keen	20	Tesco	5	BrokenHillProp	62
Boots Drug	11	Hawker Sidd.	60	Thorn 'A'	95	Charter Cons.	22
Bowaters	15	Hay's Wharf	21	Tube Invs.	25	Charterhall Fin.	5
B.A.T.	20	House of Fraser	17	Unilever	20	Cons. Gold	20
British Leyland	3	I.C.I.	15	Utd. Drapery	15	De Beers Def.	10
British Oxygen	5	"Imps"	6	Vickers	7	F. S. Geduld	59
Burton "A"	13	I.C.L.	20	Woolworth	5	Great Boulder	20
Butlin's	5	Int. Stores	7	**Property**		HamptonAreas	13
Cadbury's	7	Inveresk Paper	2	Cap. Counties	19	Hampton Props.	9
Courtaulds	15	Jessel Secs.	25	Land Secs.	12	Kloof	20
Cunard	15	Legal&General	69	Peachey	7	Lonrho	10
Debenhams	14	Lloyds Bank	35	Star. (Gt. Brit.)	20	Loraine	5
Distillers	11	"Lofs"	7	Town & City	19	Metals Explor.	66
Dunlop	15	"Mams"	12	Town & Comm.	14	Newmetal	5
EMI	19	Marks&Spence'r.	19	**Oils**		Poseidon	£2¼
Fisons	19	Metal Box	22	Brit. Petroleum	35	Pres. Steyn	95
G.R.A. Trust	12	Midland Bank	39	Burmah Oil	33	Rio-T.Zinc	15
Gen. Accident	12	NatlWest Bank	35	Oil Search	4	Welkom	19
General Electric	9	P.&O. Defd.	13	Shell	65	West Areas	9
Glaxo	25	Plessey	10	Ultramar	24	Western M'ng.	20
		Ralli Intl.	11			Zambia Copper	7
		Bank Org. "A"	47				

REGIONAL MARKETS

Markets continued firm yesterday following the overnight trend on Wall Street and the good U.K. trade figures.

Brittan Group eased 1½p to 12½p on the Irish Exchange, where Doreen (Dublin) declined 2p to 24p and Industrial and Commercial Holdings lost 3p to 48p. Helton Holdings also shed 3p to 60p but Metal Products added 2½p at 27½p.

On the Midland and Western SE, UBM at 140p and John James at 32p were up 2p, while gains of 1p were registered by Bowyers (Wiltshire) 161p, British Dredging 76p, Cadbury Schweppes 87p and DRG 157p.

David S. Smith rose 2½p to 46p, Beechwood put on 2p to 144½p, while Homefare at 19½p, Reardon Smith 69p and Smith Enterprises 136p were each 1p better. Coated Metals lost 5p to 302½p, while Macowards at 52p and Rivlin 40p were each 1p easier.

On the Northern Exchange, Concrete moved up another 5½p to 81½p and Radley Fashions improved 5p to 60½p on Press comment. Further consideration of the report pushed Squirrel Horne up 3p to 23p. North West Hoist rose 2p to 120½p in front of their report, as did Peak Trailers to 43p ahead of its interim. Stylo Shoes recovered ½p to 55½p. Empire Stores regained 2p to 315p, as did Grattan Warehouses to 274p and Provident Clothing to 233½p.

Doxford and Sunderland rose 4p to 43p, despite its results. George Bassett improved 2p to 102p and Aurora Gear picked up 1p to 26p. Tyneside Investment gained 5p to 388p. Davy Ashmore were 4p better at 55p and T. C. Harrison were up 3p to 73p. Bibby and Baron shed 1p to 39p, as did East Lancashire Paper to 29p and Ditchburns to 12p.

Adams and Gibbons added 2p at 72p but H. Young (Motors) changed 2p lower at 31p. Moores Stores improved 2½p to 23p.

Era Ring Mills were in demand at 18p, while Cromer Ring were mentioned around 54p. Trafford Park Estates marked at 72½p, as did Glovers Chemicals at 108½p, Hargreaves Group 274p, Northern Dairies 110½p, Ryecroft of Bradford 60½p and B. S. and W. Whiteley at 62p.

On the Scottish SE, Bank of Scotland advanced 9p to 516p and J. Dykes were another 10p higher to 155p nominal. John Brown gained 7p to 158p. National Commercial Bank improved 5½p to 144p; Distillers were 2½p better to 153p and Scottish Metropolitan Properties were 3½p up at 110½p. Scottish Brewers rose 2p to 428p but Inveresk Paper dropped 2p to 29½p.

Prices in pence and denominations of 25p unless otherwise stated

BELFAST

B'fastC3½%1976	£96	......
B'fast Rope £1	79	......
Hughes (B) £1	150	......
Vulcanite	107½	......

IRISH EXCHANGE

Exch-6% (80/85)	£74.57	......
Alliance Gas£1	96½	......
Cement Road	68	+1
Clond'lkn Pr.	83	......

NORTHERN EXCHANGE

SCOTTISH EXCHANGE

MIDLANDS & WESTERN

Craig Ship £1	288	......	Heaton Wm10p	5	......		
Hal'mSl'gh10p	15½	......	Higsons Brew.	119½	......		
Hill (Chals) £	146½	......	HindsonRd20p	50	......		
Kleen-e-ze	47½	......	Holt(Joseph)£1	480	......		
Lovell'sShip£1	85	......	Ingham(G) 10p	10⅝	......		
LyeTr'ding10p	22½ xd	......	I.O.M. Stm.£1	166	......		
Pearce C. H.	40	......	KettonCem.£1	405	......		
Penarth, Eng.	50	......	L'poolGrain £1	115	......		
Sindall (Wm)	43	......	Man. Canal £1	252	......		
Smith (Herm)	15	......	Most H. & Son	80	......		
Supra Chem.	42½	......	Nicholas Vim.	115	−5		
Vincent (H.)	44½	......	Nthn.Goldsmith	57	......		
Watsham's	15	......	P.M.A.	80	......		
Wykes(Leic)10p	28	......	Peel Mills	11	......		
Clough (A) 5p	14	......	Cromer Ring£1	59 xd	......	Dykes	165	+10
Dunn(W.G. 10p	15½	......	Dyson R.A. 'A'	40	......	Galloway(J)	7¼	......
Econa(10p)	30	......	Ellesroad	39	......	Hill & Wylie	31½	......
EvansFrdk 10p	39	......	Eng.NatInv.£1	49	......	Lees(JJ) (10p)	25	......
Evered	30	......	Era Ring	19	......	Mackinnon	75	......
FordhamHd 5p	35	......	Gandy	32½	......	Morrison & G.	11¼	......
Frost&Reed50p	135	......	Gardner (L.)	175	......	Richards(5p)	17½	......
Gardiner £1	75xr	+5	Gaunt (Rld)	22½	......	Scotcros	54½	......
Gordon J. S.	12½	......	Golden Egg	116	......	United Wire	59	......

Cunard a good buy —Sir B. Smallpeice

SIR BASIL SMALLPEICE, chairman of Cunard, said yesterday that the Trafalgar House bid for the company was "a good buy" for the bidder. Cunard shareholders also had got "a fair deal in the circumstances of to-day."

Asked how he felt about the takeover, he said: "There are no hard feelings. Naturally I feel very disappointed that Cunard is not going to survive as an independent company—particularly at this stage of its planned recovery. But we could not ignore a bid of this amount at this time. I do not think we could have got a better price. My feeling is the Board has done its duty by everybody."

Deadlock broken

Sir Basil revealed how the deadlock over the bid and the price to be paid was broken.

After reading that Mr. Nigel Broackes, chairman of Trafalgar, had said "on the basis of the information we have been given we will not raise our offer" over 200p per share, he felt "things seemed to be at a stalemate.

"I thought it was high time to cut through all the red tape, and that a chairman-to-chairman talk was desirable.

"Mr. Broackes was on holiday in the South of France, so I rang him and said: "Let's have a talk." I flew to Nice and he came to see me at my hotel."

As a result of the meeting, at which Sir Basil gave further information and explanations of Cunard's position, Trafalgar gave all the assurances required and lifted the price by another 10p per share—its second increase.

"I got an extra £1m. taking the price up to £27m," said Sir Basil.

Sir Basil declined to comment on City suggestions that, while Cunard will make another loss this year, it is expecting to make £2m. next year and £4m. the year after that.

But, he admitted: "There is no doubt at all, Trafalgar have timed this offer extremely cleverly. We had been aware we were exposed to a takeover, but did not expect it from this quarter.

"We are in the second phase of our recovery, and while the risk element will never be removed from shipping, we have been reducing it by cutting our participation in liner trades, where there are delays in recovering costs and increasing our dependence on areas in which we can negotiate when the price is right.

"For instance, we have chartered three of the four bulk carriers we have on order at very remunerative rates, and can wait until September next year before chartering the fourth."

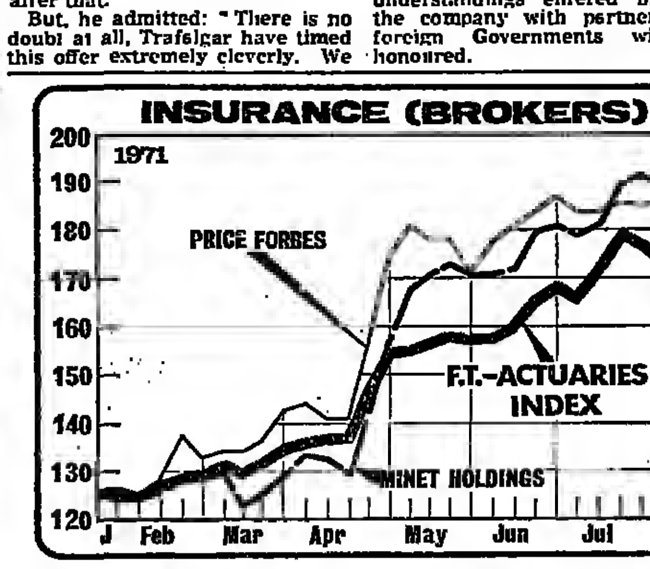
"Several plans"

Sir Basil, 65 in September, shows no signs of wanting to retire from business life. "Far from it, I have several plans." These are likely to depend on whether Trafalgar wants him as a full-time director or part-time only. Sir Basil, who has been earning just over £22,000 a year with Cunard and has a contract until 1974 expects to discuss this with Mr. Broackes.

The Cunard directors had "At no time been given any assurances about their own position, nor have they ever asked for any."

Part of his satisfaction seems to be in having pulled Cunard from its "ghastly stage," where it was valued on the stock market at around £7m. to the point where he can see a profitable future and the company can command a price of £27m. The rest lies in the fact that he has secured assurances that Cunard will remain a British company with the QE2 staying under the British flag.

These assurances, not fully spelled out in the documents so far published, run to pledges that there will not be widespread redundancies among senior staff and that all the agreements and understandings entered into by the company with partners and foreign Governments will be honoured.



As with most subsections of the Financial Group, the F.T.-Actuaries share index for Insurance Brokers has put up a most commendable performance this year and is currently showing a rise of over 45 per cent. since January 1. The stimulus has come from a crop of cheering results, announced in the early months of the year, the end-March Budget news and prospects of further growth to be derived from increases in premium rates, especially on the motor side. Insurance companies have just begun to announce another round of motor premium increases.

These charts show the pattern of an F.T.-Actuaries index and of prices of two constituents converted to index numbers at weekly intervals over about six months, starting from the same base.

ACTIVE STOCKS

Prices in pence except where otherwise indicated.

Stock	Denomination	No. of marks	Closing price	Change on day	1971 high	1971 low
Imp. Chem. Inds.	£1	22	330	+ 4	330	230
Unilever	25p	19	338	− 2	340	215
Cunard (N/A)	£1	13	198	+ 6	212	88
Lonrho	25p	13	88	+ 5	113	65
Nat. Westminster	£1	13	610	+17	630	323½
Prudential Ass.	5p	13	173	+14	180	143
Brit.-Am. Tobacco	25p	12	353	—	391	265
Debenhams	50p	12	228	+11	230	158
GEC	25p	12	152	+ 1	160	90
Seafield Amal.	10p	12	57	− 6	63	29½
Barclays Bank	£1	11	612	+15	618	327½
Slater Walker	25p	11	285	+ 1	297	192½
Beecham	25p	10	328	+ 6	356	225
Star (GB)	50p	10	213	+ 6½	213	100½
Brit. Petroleum	£1	9	625	+13	628	403

The above list of active stocks is based on the number of bargains recorded yesterday in the Official list and under Rule 163 (1) (e) and reproduced to-day in Stock Exchange Dealings.

SHARE INFORMATION SERVICE: NOTES

The following Notes relate to Share Information Service:—

Denominations are 25p unless otherwise indicated.

Yields allow for value of declared distributions and rights and are based on middle prices.

Estimated price-earnings ratios and "times covered" are based on corporation tax of 40 per cent. and exclude transitional relief.

ε Figures based on prospectus or other official estimates for 1971-72. ϕ Figures based on prospectus or other official estimates for 1970. ο Assumed dividends and yield after pending scrip and/or rights issue. π Excluding refunds of O.S. Capital Gains Tax. J Figures based on prospectus or other official estimates for 1972. H Figures based on prospectus or other official estimates for 1970-71.

a Redemption yield. l Flat yield. o Assumed dividend and yield. h Assumed dividend and yield after scrip issue. j Payment from capital sources. k After local taxes. m Interim higher than previous total. o Rights issue pending. p*** Pence except where otherwise indicated. o Earnings based on preliminary figures. c Australian currency. s Dividends and yield exclude a special payment. t Indicated dividend: cover relates to previous dividend, p/e ratio based on latest available earnings. u Forecast dividend: cover based on previous year's earnings. v Tax-free up to 8s in the £. w Yields allow for currency clause. y Dividend and yield based on merger terms. z Dividends and yield include a special payment; cover does not apply to special payment. A Net dividend and yield. B Preference dividend passed or deferred. C Canadian.

◆ Merger bid or reorganisation in progress.
♣ Special deposit certificates.
♠ Same interim; reduced final and/or reduced earnings indicated.
§ Cover allows for conversion of shares not now ranking for dividends or ranking only for restricted dividend.
‖ Assumes all equity capital ranks for dividends.
† Cover does not allow for shares which may also rank for dividend at a future date. No p/e ratio usually provided.
♥ Excluding a final dividend declaration.
✤ Provincial quotations.
‖ No par value.

Abbreviations: xd ex dividend; xc ex scrip issue; xr ex rights; xrc ex return of capital; xa ex all; xdr ex drawings; ncd ex capital distribution; xpb ex partial bid.

FOOD PRICE MOVEMENTS

	August 12 £ per ton	Week ago £ per ton	Month ago £ per ton
§BACON			
Danish A.1†	355	345	360
British A.1†	335-7	325	340-45
Irish Special A	340	330	345
Polish A.1†	335	325	340
Ulster A.1	335	325	340
§BUTTER	per cwt	per cwt	per cwt.
N.Z. packet	24.15-35	24.15-35	24.15-35
Australian packet	24.15	24.15	24.15
Danish salted packet†	26.95-27.00	26.95	26.95-27.00
§CHEESE			
English cheddar white creamery selected	20.25	20.25	12.25
N.Z. finest rindless 40-lb blocks	16.80	16.80	16.80
***EGGS**			
Home-prod. Standard	1.25-1.65	1.30-1.65	1.40-1.65
Large	1.65-1.95	1.60-1.90	1.60-1.80
	August 12 per lb	Week ago per lb	Month ago per lb
BEEF	p p	p p	p p
Scotch killed sides	18.0—20.8	17.5—20.4	17.5—20.2
Eire forequarters	12.9—13.7	12.1—12.9	11.7—12.5
Argentine chilled rumps	36.3—37.5	32.5—35.0	30.0—35.0
LAMB			
English	13.3—16.7	12.0—17.5	15.0—20.0
N.Z. 2s—Ds	12.3—14.2	12.5—14.2	12.5—14.0
PORK (all weights)	10.0—14.6	9.2—15.0	10.0—14.2
MUTTON			
English ewes	—	4.0—6.0	6.0—7.5
‡POULTRY			
Broiler Chickens (all weights—oven ready)	13.5—15.0	14.0—14.5	14.5—15.0

* Prices per 120 eggs on Tuesday, August 10. † Ex quay. ‡ Prices on August 11. § London Provision Exchange prices.

NEW "HIGHS" AND "LOWS" FOR 1971

The following securities (number in parentheses) among those quoted in London Closing Prices yesterday attained new "highs" and "lows" for 1971:—

NEW "HIGHS" (178)

BANKS (1)
BEERS (3)
BUILDINGS (23)
CHEMICALS (3)
CINEMAS (1)
DRAPERY AND STORES (2)
ELECTRICALS (4)
ENGINEERING (16)
FOODS (10)
INDUSTRIALS (26)
INSURANCE (2)
MOTORS (5)
NEWSPAPERS (3)
PAPER AND PRINTING (4)
PROPERTY (22)
SHOES (2)
TEXTILES (3)
TRUSTS (25)
UTILITIES (1)
OILS (4)
RUBBERS (2)
TEAS (4)
MINES (7)

MACHINE TOOLS (1)
Meggitt

MINES (6)
Doornfontein, Metramar, Acmin Exploration, Sedimentary, Gold & Min. Ex., Westmex

NEW "LOWS" (9)

BANKS (1)
Minster Assets

ELECTRICALS (1)
Advance Elect.

RISES AND FALLS YESTERDAY

	Up	Down	Same
British Funds	41	—	7
Corps. Dom. and Foreign Bonds	31	7	95
Industrials	565	113	1,035
Fincl. and Prop.	273	26	239
Oils	12	2	16
Plantations	13	10	65
Mines	49	17	115
Recent Issues	23	4	85
Totals	1,007	179	1,657

F.T. SHARE INFORMATION SERVICE

BRITISH FUNDS

1971 High	Low	Stock	Closing Price £	+ or —	Gross Yield pc Interest £	Redemption £
		"Shorts" (Lives up to Five Years)				
99	97	Gas 3½pc '69-72	98 xd	......	—	5.84
100	99	Exchequer 6½pc 1971	100 xd	......	—	6.61
100¼	98	Conv. 6pc 1972	100¼ xd	......	5.98	5.45
98	96⅛	Gas 4pc 69-72	98	+	4.06	5.37
100	98	Exchequer 6½pc 1972	100	......	6.20	5.37
101¼	98	Exchequer 6¾pc 1973	101½	+	6.65	5.61
96	92⅝	Electric 3pc '68-73	96	+ ⅛	3.13	6.58
96	92⅝	Transport 3pc '68-73	96	+	3.13	6.58
97	93⅞	Conv. 6¼pc 1974	97	+	6.39	6.19
101	98	Treasury 6¾pc 1974	101	+	6.68	6.33
90	84	Saving 3pc '65-75	89 xd	......	3.35	6.98
98	98	Treas. 6% 1975 ●	98½	+	6.09	6.48
99⅛	95	Exch. 6½pc 1976	98 xd	+	6.63	6.98
		Five to Fifteen Years				
98¼	94¾	Victory 4pc 1976	96½ xd	......	4.13	8.58
99½	97¼	Funding 4pc '60-90	98¼	+ ¼	4.12	6.14
100⅛	95½	Treasury 6½pc 1976	97¾ xd	+ ⅛	8.65	7.03
88	80	Electric 3pc 1974-77	86½ xd	+ ⅛	3.45	6.81
88	81	Transport 4pc '72-77	88	+ ¼	4.58	6.44
91¼	82⅝	Exchequer 5pc '76-78	91¼	+ ¼	6.58	6.92
85½	75⅝	Electric 4¼pc '74-79	84¾	+ ¼	5.11	7.01
80⅛	70¾	Do. 3½pc '76-79	78¾	+ ¼	4.44	6.88
78¾	69⅛	Treasury 3½pc '77-80	78¼	+ ¼	4.51	6.91
88⅜	78⅞	Funding 5¼pc '78-80	87¾	+ ¼	6.04	7.28
76⅜	67¾	Treasury 3½pc '79-81	76 xd	+ ¼	4.60	7.00
104	92⅝	Do. 8¾pc '80-82	102½	+ ½	8.54	8.19
85⅞	71	Funding 5½pc '82-84	82½	+ ¼	6.70	7.77
		Over Fifteen Years				
101⅝	90¼	Treasury 8½pc '84-86	100½	+ ½	8.58	8.63
86¾	76	Funding 6½pc '85-87	85	+ ¼	7.81	8.45
56⅞	41⅝	Transport 3pc '78-88	56	+ ¼	5.38	7.75
71	61¼	Treasury 5pc '86-89	68½	+ ½	7.36	8.50
75⅞	67⅛	Funding 5½pc '87-91	74½	+ ½	7.93	8.70
75¾	66⅝	Funding 6pc 1993	71¾ xd	+ ½	8.29	8.68
101¼	93⅞	Treasury 9pc 1994	99	+ ½	9.29	9.33
49¼	41⅝	Gas 3pc '90-95	48¾	+ ¼	6.26	7.89
101	95	Treas. 9pc '92-6	96¾ xd	+ ½	9.32	9.36
49¼	41	Redn. 3pc '86-96	48¾	+ ¼	8.28	7.76
98⅝	90¼	Treasury 8½pc 1997	84 xd	+ ½	9.96	9.31
95¼	94¼	Treas. 8¾pc 1997 ●	94¾	+ ½	9.31	9.36

[illegible]

Undated

INTERNATIONAL BANK

CORPORATION LOANS

COMMONWEALTH LOANS AND AFRICAN

PUBLIC BOARD AND OTHER LOANS

Corporation Short-dated Bonds

FOREIGN BONDS & RAILS

London U.S. Dollar and DM Issues

AMERICANS

CANADIANS

BANKS AND HIRE PURCHASE

†† Banks, etc.

Hire Purchase, etc.

BEERS, WINES AND SPIRITS

BUILDING INDUSTRY, TIMBER & ROADS

BUILDING INDUSTRY—Continued

1971 High	Low	Stock	Closing Price pence	+ or —	Div. or amount	Times covered	Gross Yield pc	P/E Ratio
17¼	11¼	J.B. Holdings 5p	16	......	17	2.5	5.5	7.4
31	11	Jackson (DT) 10p	25	......	17	φ	7.0	φ
95	46	James (H.C.)	92	......	18	1.9	4.9	10.7
100	59	Jarvis (J.L.)	96	+1	30	φ	8.1	φ
38	30	Jenkins (T) 10p	38	+1	d17	1.9	4.5	11.8
72	47½	Jennings SA0.50	72	+1	10	3.6	2.2	8.7
336	182¾	J'hns'n Rich 50p	325	+6	d10	2.8	2.7	13.0
27½	22	Jones Edwd. 10p	25	......	27	1.7	11.7	5.1
44½	30	Kelz'r W'nsta 20p	38	+1	15	1.1	8.3	11.3
26	9	Kenkast 10p	24	......	d7	1.1	3.1	29.7
140	73¾	Kennedys'	130 xd	......	22	1.9	5.4	9.5
142	76¼	Kier (J.L.)	134	......	22	2.2	4.2	11.0
62	32½	Lafarge	51	......	8.4	1.3	4.1	12.1
124	70	Laing (John) 'A'	124	......	9	2.4	1.5	23.3
210	150	Latham Jas. £1	205	......	12		3.5	φ
136	104	Lead Inds.	117	-1	11	1.8	4.7	11.0
36	23	Leaderflush (20p)	35	......	d10	0.8	5.7	20.7
64	26¼	Leyland Paint	54	......	18	1.7	3.8	15.2
75	57	Lilley (F.J.C.)	68	+1	12	2.1	4.4	10.8
30	12½	Limmer Hldg.	17½	......	1	—	1.5	—
94½	53¾	London Brick	82	+3	15	1.5	4.1	16.7
180	92½	Lovell (Y.J.) £1	170	......	10	1.4	5.9	12.3
64	29½	McLean (J.) 20p	68	......	16	2.1	5.5	8.3
16½	7½	McManus Gp 10p	12	......	—	—	—	—
53¾	28	McNeil 1p	52	......	12	1.0	9.2	10.8
41	15½	Macpherson D.	37½	+1½	4	1.3	2.7	28.8
367½	155⅝	Magnet Joinery	355	......	32	2.4	2.3	18.0
67	41¼	Mallinson (Wm)	67	......	15	1.4	5.6	12.3
50	21	Man-Abell	49	+2	12	1.0	6.1	16.0
60	43	Manders (Hldg.)	56½	+	11	1.6	4.9	12.9
262	149	Marchwiel	251	+5	20	5.8	2.0	13.2
109	37½	Marley	109	+4½	16	1.5	1.4	48.9
96	65	Marshalls Hlfx	89 xd	-1	17	φ	4.9	φ
66	41	May & Hassell	60	......	16	1.9	6.7	2.0
52	35	Mears Bros.	42	......	12	1.4	7.4	9.6
50	36	Melville D. & W.	43	......	15	1.5	6.7	7.8
56	28¾	Meyer (Mont. L.)	53 xd	-1	12	φ	3.7	φ
26	16	Miller (Stan) 10p	22	......	20	0.5	9.1	12.4

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DRAPERY AND STORES—Continued

1971 High	Low	Stock	Closing Price pence	+ or —	Div. or amount	Times covered	Gross Yield pc	P/E Ratio
162¾	95¾	Perkins (D.A.)	145 xc	+1	d20	1.6	5.6	17.1
130	72¾	Peters J.J. Furn.	126	-2	d17	1.8	3.4	18.3
26½	10½	Pinchpile 10p	18	......	16	1.9	9.8	3.8
56	25	Polly Peck 10p	62½	......	d97	1.5	8.5	7.4
61	31	Preedy (Alfred)	61	......	16	φ	6.8	φ
17	11½	Queens't. W. 10p	14	......	8	—	—	—
12½	9½	Ramar Text 5p	10½	......	20	2.3	8.5	4.5
62	28	Rainers 10p	59	......	d30	1.5	5.1	12.8
94	51	Raybeck 10p	86	-2	d82	2.4	3.4	12.0
47	29	Readicut 5p	46	......	87	2.9	8.8	16.8
365	210	Reed Ausn 'A' £1	350	+5	9.2	1.9	8.6	20.1
46	25	Rivlin (I) O.S. 10p	42	+2	29½	1.3	7.0	11.3
84	52½	Rose (W.& Paint)	83	......	d25	1.7	7.7	7.7
30	16½	S.A.U. Stores 12½p	23	......	12	φ	6.7	φ
35	25	Do. 25% Pf Od 12½p	33	......	25	φ	2.5	φ
142	55	Samuel (H.) 'A'	138	......	15	2.1	2.8	16.9
17	7½	Selincourt 5p	15	......	15	1.4	5.0	14.3
17½	8	Sherman W'r 20p	16	......	—	—	—	—
24¾	7½	Sherman (S.) 10p	23	-1½	—	—	—	—
330	232½	Smith W.H. 'A' £1	307	......	12	2.0	2.4	21.
68	35	Spirella 20p	65	......	d13	1.4	4.2	16.2
44	26½	Steinberg 10p	39	+1	d30	φ	3.4	φ
77	32	Stone-Dri	75	......	d10	φ	3.4	φ
14¾	10½	Sturla (Geo.) 10p	12	......	5	—	4.3	—
50	30	Sumrie C.M. 20p	44	-2	92	0.9	10.2	10.4
155	75	Time's	147	+8	d24	2.0	4.1	11.9
145	77¾	Utd. Drapery	137	-1½	21	1.4	3.8	20.6
40	23	Upton (E.) 'A'	33	......	12	1.4	9.1	8.0
41½	20	Vantona	41½	......	15	1.1		—
62	30	Wades 'A' 20p	60	......	d10	2.3	3.3	12.9
83	65	Walker (Jas.)	81	......	15	1.4	4.6	13.0
50	27	Weston Plnt 10p	46	......	24	1.9	5.2	10.2
155	88	Wigfall (H.)	152	......	17	2.2	2.9	16.1
77	50	Wilkinson Wrbtn	76	......	18	1.6	6.0	10.4
89	68	Woolworth	74½	-½	20	1.0	6.8	14.3

ELECTRICAL AND RADIO

[illegible]

CHEMICALS, PLASTICS, ETC.

CINEMAS, THEATRES AND TV

DRAPERY AND STORES

ENGINEERING AND METAL

ENGINEERING AND METAL—Gen. Cont.

FOOD, GROCERIES, ETC.

HOTELS AND CATERERS

HOTELS AND CATERERS—Continued

INDUSTRIALS (Miscell.)

"Recent Issues" and "Rights" Page

هكذا من الأصل

INDUSTRIAL (Miscell.)—Continued

INSURANCE

MACHINE TOOLS

MOTOR, AIRCRAFT TRADES

Motors and Cycles

Commercial Vehicles

Aircraft

Components

Garages and Distributors

NEWSPAPERS, PUBLISHERS

PAPER, PRINTING, ADVERTISING

PROPERTY

PROPERTY—Continued

1971 High	1971 Low	Stock	Closing Price pence	+ or −	Div. % or Amount	Times covered	Gross yield %	P/E Ratio
146	95	Berkeley Prop...	151	+1	15	1.7	2.2	12.9
154	104	Bradford Prop...	152	......	22	1.6	4.6	15.7
143½	76½	British Land.....	134	−½	‡d11	1.3	2.0	17.8
118¼	67½	Brixton Estate...	113	......	11½	1.4	2.8	34.7
101	51	Capital & C'ties.	22½	......	210	—	2.5	—
175	105	Cent. & Dist. 50p	168	+8	9	Φ	2.9	Φ
74	54½	Centrovinc'l 20p	70	+2	‡12	1.9	3.8	14.5
71	54½	Do. Cap. 20p.	71	+6	—	—	—	—
73	36½	Charl'w'lAln 10c	72	+1	16	1.1	2.2	39.9
132	77	Chesterfield......	132	+2	d14	1.1	2.7	34.2
85	60	Chown Secs......	88	......	12	2.3	3.5	12.3
200	125	Church'bry Est.	123	......	29	1.2	3.7	22.8
39½	26½	City C'ntry 10p	38½	+1½	14	1.2	3.6	28.2
80	60¼	City Offices......	80xd	......	111	1.0	5.6	22.1
192	108	City Wall........	175	+15	‡d16	1.3	2.3	52.5
58	31¼	Cornwall 16p...	77	−½	‡d30	1.1	1.9	47.3
35	24½	C'ntry New T10p	33	......	7	1.1	2.0	47.5
68	49	Daejan (Hldgs).	64	+1	13	1.0	5.1	19.5
44	33¼	Dorrington(10p)	42	......	‡28	Φ	5.2	14.4
204	83¾	Edger Investa...	204	......	●16	1.1	2.0	45.9
148	92	Esta. Prop. Inv.	145	......	‡15	1.1	2.7	34.8
13¼	11¼	Fore St. Inv. (5p)	12½	......	9	1.0	3.2	31.3
136	83½	Grand Junction	132	......	12	1.4	2.3	52.2
365	198	Gt. Portland(50p)	355	......	‡12	1.2	2.5	48.9
52	34½	Green(R)Prp10p	42	......	‡d18	1.5	3.7	18.4
61	39	Greencoat (16p)	57	......	13	1.0	4.0	24.8
72	43	Greenslt 2t/10p	62	......	‡30	‡2.2	4.4	10.6
93½	51¼	GrendonSecs10p	23½	+4	20	2.8	2.1	17.0
29	34	Grovew'dSec(5p)	27	......	‡18	1.6	3.5	16.1
69	48½	Guardian Prop...	62	+1	7	1.3	2.7	30.8

SHIPBUILDERS, REPAIRERS

SHIPPING

SHOES AND LEATHER

SOUTH AFRICANS

STEELS

TEXTILES—GENERAL

TEXTILES—WOOL

TOBACCOS

TRUSTS, FINANCE, LAND

Investment Trusts

Finance, Land, etc.

UTILITIES

OILS

RUBBERS—MALAYSIAN

RUBBERS—MISCELLANEOUS

SISAL

TEAS

India and Pakistan

TEAS—Continued

Ceylon—

MINES—CENTRAL RAND

EASTERN RAND

FAR WEST RAND

O.F.S.

FINANCE

DIAMOND

PLATINUM

CENTRAL AFRICAN

AUSTRALIANS

TIN—EASTERN

TIN—NIGERIAN

TIN—MISCELLANEOUS

COPPER

MISCELLANEOUS

For Notes, see Stock Exchange Dealings.

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Lombard

Choice of decimal system in retrospect

BY C. GORDON TETHER

THANKS to the speed-up of inflation and the enthusiasm with which the business community tackled the change-over, the introduction of decimal currency has gone more smoothly than might have been feared. But I see no reason on this account why those who favoured the use of the 10s-cent. system should consider themselves to have been in the wrong.

On the contrary, it is now becoming evident that the more serious disadvantages of decimalising on the basis of such a large unit were not over-rated and equally clear that the strength of the international case for retaining the £ was grossly exaggerated.

Replacing the £ as the basic unit in Britain's currency system, the Bank of England told the Lord Halsbury's Decimalisation Committee, could have the most serious consequences for London's future as an international financial centre. It went on to contend that, as invisible earnings were so important to us, this represented a decisive argument against decimalising on the basis of the more convenient 10s.-system. And as only a minority of the Committee saw what an absurd proposition this was, the Old Lady's contribution to the debate was more or less decisive.

Quite happy

To-day, of course, the Bank is quite happy to see the £ being phased out of its international currency functions. Indeed, it makes no secret of its belief that this is really very much in Britain's interest, all things considered. And it takes the greatest pride in pointing out that London's international banker business know-how is such that the City can thrive just as surely if it uses other countries' currencies rather than our own.

In short, the international objections to using a unit other than the £ as the keystone of our decimal currency system have turned out to be as feeble as those who were able to see through the banking establishment's efforts to blind everyone with international monetary science perceived at the time. At the same time, though the difficulties experienced at home in coping with the £-penny system can be exaggerated, it is evident that if the 10s-cent system had been chosen instead, many of the more lasting difficulties arising from the change-over would have been avoided.

Headaches

As a Financial Times correspondent pointed out in describing the headaches the Chancellor's Mini-Budget had generated for the business community, the comparatively heavyweight character of the new system's minor unit—the 1p—does create complications for wholesalers and retailers when fixing or adjusting their prices. "With decimalisation," he said, "any fine tuning of low-priced items becomes almost impossible."

These problems would have been largely avoided if the 10s-cent system had been employed to give a minor unit worth 1.2d instead of 2.4d of the old currency. Furthermore, that system would not have required the use of the awkward fractional tail that has so often to be employed with the present one because of the excessive size of a whole new penny. Which, in turn, would have meant that the smallest coin in the new system could have become one of respectable size instead of being so diminutive that it constitutes a constant irritation to everybody.

Associability

Naturally, if the new system had been based on a major unit of 10s, the public would have had a greater associability problem to overcome in respect of transactions of the weightier kind. But this aspect of the change-over would have been very much easier to cope with in the handling of day-to-day money transactions.

Even now, many people find the idea that the shilling is worth five new pennies difficult to assimilate, the natural tendency being to think that it should be ten. There can, indeed, be little doubt that, on balance, insistence on retaining the £ has almost certainly added to the strain of daily life for everybody.

It may be true to say that the country has suffered less than might have been expected from the failure of the Decimalisation Committee to make a realistic assessment of the "choice of system" arguments. On the other hand, it can hardly be said that experience to date has provided convincing proof of the £-cent protagonists' latest claim—that the right decision was taken even if this was to some extent for the wrong reasons.

THE LEX COLUMN

Index rose 5.7 to 408.6

Interpreting GKN's reservations

It is a moot point whether the buoyancy of the market of late has owed anything to good company results, so it will be interesting if the figures from GKN have any impact on the market overall if it interprets them as being disappointing. The relevant figure (the only comparable one as a result of new consolidations) is £10.3m. for first half earnings against £11.6m. last year, while as to forecasts the quote has to be taken in full—"we would still regard it as imprudent to be firm to the extent of forecasting a further improvement upon the record-results achieved in 1970."

A first half shortfall was forecast against an exceptionally good comparable period, so the question there is over its extent. Equally the second half this year is firmly expected to be "better than the first" and since that is £650,000 odd better than the 1970 second six months, the group is virtually assuring no earnings drop. The problem for the shares is that a historic p/e ratio of 19 is pretty dependent on growth this year as well as next, the reason being that the lack of it might suggest either that the historic earnings figure was exceptionally high or that the group had run out of internal management momentum.

There are however consolations beside the conservative nature of the earnings reflected in a tax charge which is still as high as 50½ per cent. The main one is that the market was probably looking for a quick second half upturn in John Lysaght and the fact that nothing is likely to appear until next year need be no worry. Above all the group is "more confident" than it was in April, when it would have been looking for a "major advance" were it not for its reservations about the U.K. economy.

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IMI

The background to Imperial Metal Industries' first half shortfall—profits £500,000 lower at £5.9m. pre-tax and before stock losses reduced by £400,000 to £100,000—was never any secret. The overall volume fall works out at 5 per cent.—worse than that at the capital intensive refined and wrought metal end: refining was also squeezed by the narrower price margin between copper scrap and its own products, and then there was the absence of Rolls-Royce orders for the expanded titanium operation.

At least the pressure on these areas got no worse in the second quarter, although it is not getting much better either, to judge by recent redundancies. But elsewhere there is a comforting pattern for the current half, against what was already a depressed period last year. Building orders, a fifth of sales, are showing a worthwhile improvement; demand is firm through the rest of the group; and the lower copper price could be worth up to roughly £¼m. overall in lower stock financing charges. So maintained profits (£12.3m.) could still be within reach, and the risk in a prospective p/e of under 14 at 66p looks very limited. Rolls-Royce work should be picking up from the late autumn, and whatever happens to refining demand next year, a series of peripheral economies in the wage bill, the switch to natural gas, the production of its own copper shapes—should add up to a useful cost saving.

See also Page 20

Norcros

For consistency, Norcros takes high marks. After pre-tax rises of 12 and 15 per cent. in the two previous years, it has managed a 16 per cent. improvement to £1.41m. in the first half this time. Moreover, the latest increase has been spread across the three divisions, the only real problem—and that on a fairly small scale—being Maws, the nursery goods and pharmaceuticals operation, which has been suffering the after-effects of reorganisation.

In printing and packaging—which contributed 60 per cent. of U.K. profits last year—Norcros appears to be growing steadily in a somewhat specialised sector, and the 1969 move into Australia has now been followed by the acquisition of a small base in South Africa. Dow-Mac, the precast concrete side, has performed strongly trading background. Lastly, the furniture operation has also moved ahead, although since the range consists largely of built-in units there is unlikely to be any great boost from the stimulus given to consumer spending. Keeping the overall growth rate up for the full year could mean earnings of 12.5p a share against 10.25p, and a prospective p/e of 13.8, which still has its feet on the ground.

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Ultramar

Last year's second half profitability—at an annual rate of £3.2m. or so net—was roughly the kind of rate that should have been maintainable by Ultramar this year, in its pre-Quebec refinery form. Thus the interim result of £1.51m. net against £940,000 together with a forecast of at least as good a second half served to reassure, and the shares ended 12p better yesterday at 292p. The broad picture this year is of selling prices holding at roughly last year's second half levels or a bit better, modest volume growth (8 per cent. in the first half), but higher supply prices.

As for Quebec, October 1 is opening day and with all units due to be operable by then the build-up to the 100,000 barrel a day target output should be swift. But no one will be surprised if the profit contribution is negligible this year and a net £½m. would be pure bonus. But starting from next year's interim, Ultramar will probably disappoint the stock market if the new refinery is not seen to be producing cash flow at an annual rate of about £6m. and an addition to earnings of 17p to 20p. At this stage it seems likely that evidence that this target figure was being achieved would keep the shares ahead of the averages (and vice versa): it is also possible to project figures half as good again.

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Lynch backs non-violent campaign in North

BY DOMINICK J. COYLE

DUBLIN, August 12.

THE Irish Prime Minister, Mr. Jack Lynch, to-night called on Britain to set up a special commission or council, with bipartisan representation from Northern Ireland, to devise a new political assembly which would replace the present Stormont Government.

That Government, he claimed, was now forcing the Northern minority to live under "unjust law, biased administration and institutional violence." He fully committed his Government's support to a programme of political action designed to bring Stormont down.

Mr. Lynch was considerably less specific when pressed to outline what form this proposed political action would take, but he made it clear that his Government was now fully behind the call by Opposition MPs in the North for a policy of civil unrest throughout the province.

The Prime Minister's statement came after a day-long emergency meeting of his Cabinet which heard a detailed report of the talks in London yesterday between the Irish Minister for Foreign Affairs, Dr. P. J. Hillery, and Mr. Maudling, the British Home Secretary.

It was clear from Mr. Lynch's comments to reporters here tonight that Dr. Hillery had won no immediate British support for the idea of exploring ways and means of replacing Stormont with a more bipartisan assembly, but he suggested that Whitehall's policy could change "through political means."

The Dublin Government is now clearly saying that all mass non-violent protest action in Northern Ireland will have its full support. Mr. Lynch himself appealed directly to people in Britain and asked them to realise that the Northern administration "is now and has been since it was created directed at the suppression of the civil and human rights of more than a third of the population.

Reforms delayed

"We know that the British public, if fully aware of the facts, would turn away in horror from what they had been asked to support, financially and otherwise, all these years in Northern Ireland."

Mr. Lynch went on to suggest that the Stormont Government under Mr. Brian Faulkner, and under his predecessor as Prime Minister, Major James Chichester-Clark, had sought to conceal from Britain the fact that the legislative and other reforms promised in the so-called 1969 Downing Street declaration had been "delayed and distorted."

"I believe," he said, "that the British Government does not fully realise the lethargy with which the Stormont regime has approached these reforms." In any event, he said, whatever intentions were embodied in the 1969 declaration, "it now has no credibility for the non-Unionist population as they can see the extent of the influence and even control exercised on the Stormont Government by Unionist extremists."

Dealing with the present violence in Northern Ireland, the Prime Minister said that it was not his wish nor that of his Government to be in any way a cause for an escalation of the already grave situation, or to see any addition to the toll of death, injury and destruction.

The Government, he said, could not condone any actions which would lead to such an escalation. It could not support any armed activity which would inevitably cause further suffering. He was still as strong as ever in his opposition to the IRA and all other illegal organisations, but he did not contemplate at this time the introduction of internment in the Republic.

Meeting Heath

Finally, Mr. Lynch indicated that his proposals to bring the two Northern communities together (with, no doubt, active observers representing the London and Dublin Governments) would certainly be pressed on Mr. Heath during the October meeting of the two Prime Ministers.

The Government here clearly believes that civil rights campaigns and a programme of civil disobedience in the north will, between now and October, apply a considerable degree of non-violent pressure on Whitehall and encourage the British Government to take some new political initiatives.

The flood of refugees from Northern Ireland into the Republic continued to-day amid clear signs that the numbers involved are now an acute embarrassment to the Government, at least from the point of view of organisation.

There are already well over 5,000 people from the north—mainly women and children—in a number of military camps here

BSA rally on small buying

By Kenneth Gooding

SHARES in Birmingham Small Arms Company came in for some small buying yesterday and by the end of the day had more than recovered the ground they lost on Wednesday following news that there would be no bid from Dr. Daniel McDonald's Vision Enterprises. The shares closed 3p up at 20½p.

Buyers were to some extent influenced by the statement by BSA director Mr. John Hatch that Dr. McDonald's withdrawal did not in any way endanger the continued existence of the group.

Meanwhile a BSA spokesman maintained it was unlikely that Dr. McDonald was influenced by the company's decision to lift motor-cycle selling prices by up to 20 per cent. when the 1972 machines come on the market, probably at the end of September or beginning of October.

The trade had had fair warning that increases were on the way—a Board statement on July 8 mentioned that increases in material and component costs would require some adjustment in prices—but the scale surprised some dealers.

So far there is no news of the Board meeting at which the BSA directors will get down to considering other proposals for solving the company's liquidity and borrowing problems.

INDIAN HOLIDAYS FROM £232

Cox and Kings—a member of the National and Grindlays banking group—is to introduce a new programme of inclusive holidays on the Indian sub-continent costing from £232 each.

The 16-day holiday is claimed to be the lowest-priced escorted tour to India offered in the U.K. It is supplemented by other holidays ranging up to £464.

Clarksons giving a new deal

BY JOHN HUNT

BRITAIN'S biggest tour operator, Clarksons Holidays, is introducing a new deal for its customers by giving them the right to go to independent arbitration and claim their money back if they are dissatisfied with their holiday arrangements.

Mr. T. M. Gullick, the company's managing director, also proposed yesterday that the tourist trade as a whole should set up its own independent body to enforce standards.

He suggested that it should be called the "Tour Operators Standards Authority" and should function in a manner similar to the Advertising Standards Authority.

The moves follow complaints that some Spanish hotels had been overbooking and some were still under construction when tourists arrived. There were also complaints of poor air-conditioning in Clarksons' Mediterranean cruise ship the Delphi.

One of the motives behind the proposal for an independent authority is concern in the trade that the Government will move in to license tour operators unless they agree to set up their own policing body.

The proposals received an initial welcome from the Association of British Travel Agents last night and a fuller statement is expected from them to-day.

An association spokesman commented: "Obviously, we welcome any moves of this kind by tour operators."

Mr. Gullick said: "The mistake the trade has made is to expect other people to believe what it said about itself. We need somebody independent outside the trade to look at standards."

Details have yet to be worked out, but Mr. Gullick envisages a body to which both trade and public can appeal. Its main power would stem from the wide publicity which would be given to its findings.

It would set standards of advertising copy and brochures. It would, for instance, stipulate whether airport taxes and holiday insurance should be included in advertised tour prices.

Whatever becomes of this proposal, Clarksons will introduce its own arbitration system drawn up in conjunction with the Institute of Arbitrators.

Dissatisfied customers would be able to go to arbitration as a last resort. They would deposit £10 which would be returned if they won their case or forfeited if they lost.

"I feel sure that the scheme will prove fair in practice and swift in execution," Mr. Gullick said.

The company is also introducing tighter control of overseas operations. Hotels now under construction will not be accepted until Clarksons experts have made sure they are ready to receive clients.

Clients who prove that the new hotels are not up to standard will get a 25 per cent. refund with the alternative of another holiday costing 25 per cent. more than they have paid.

Three teams of air-conditioning specialists are now aboard the Delphi and Mr. Gullick predicts: "We are convinced she will prove the most successful cruise ship of her class in the world."

Other improvement programmes are also being stepped up. More couriers are being trained, and block contracting of hotels is being extended to make sure that overbooking does not occur.

A team of construction and architectural experts will check plans and progress on new buildings and extensions while "quality assurance" teams will make spot checks on general conditions.

Faulkner to face critics to-day

BY ARTHUR SANDLES

BELFAST, August 12.

MR. BRIAN FAULKNER, the Ulster Premier, is to meet members of the Unionist Council to-morrow to explain Government policies. He could face strong questioning, although at this stage he should have little difficulty in riding out a comparatively minor storm.

There is an underswell of pressure within the Unionist Party for a reorganisation of the Stormont Government on more hard-line terms or for an election—which would inevitably strengthen the Paisleyite band.

Protest

Mr. Paisley himself was involved in a low-key protest at Stormont to-day. He led an 80-strong delegation which tried and failed to meet Mr. Faulkner—although they accidentally saw and jeered him as he arrived at Stormont in a car. It is unlikely that Mr. Paisley will find himself threatened by legal action as a result of the ban on parades because of his MP status.

Later Mr. Faulkner said the protest was "disgusting behaviour" on the part of Mr. Paisley. "He arrived with this group demanding an interview with me, without the courtesy of any prior notice whatever and despite the fact that I had seen him for an hour as recently as Tuesday.

"For myself, I will only say I am disgusted by this behaviour which is quite out of place in the present situation and I suggest that a period of decent restraint would be seemly at the present time."

Fear still grips the streets of Belfast as families move out. There are now 2,000 people at least in schools and halls in the city. People will not stay in houses under the threat of fire and violence.

Several hundred Catholics have shuttled back and forth from the Republic. They arrived back in Ulster having gone to refugee camps across the border earlier in the week. They complained of overcrowding and were promptly told to go back because new accommodation was ready for them.

Back in Ulster work is beginning to return to normal with factories reporting that most of their staff are back.

Ill-feeling

The day has been uncannily quiet. Traditionally, it was another one of those days which should have seen parades from the Protestants. However, they have observed the ban. For most of the day, rain poured down and streets were jammed with traffic. It was almost as if Belfast at least was gathering its breath.

Obviously, there is still a great deal of ill-feeling here. And a number of gunmen are loose. It remains to be seen whether the Army's action of the past few days has dampened things down only temporarily.

The grim bequest Page 16

Heath stands by internment

BY JOHN BOURNE, LOBBY EDITOR

SENIOR British Ministers yesterday reviewed this week's violence in Northern Ireland, but agreed that the policy of interning IRA suspects must continue.

The Prime Minister, who returned the night before from his Admiral's Cup victory at Plymouth, called in Mr. Reginald Maudling, the Home Secretary, Lord Carrington, the Defence Secretary, and Mr. Anthony Barber, Chancellor of the Exchequer, to assess the situation in Ulster. After a 45-minute discussion, their conclusion was that, as the decision to arrest suspects had only been implemented on Monday, the new anti-terrorist tactics must be given time to work.

It was said after the meeting that it was plainly inconceivable that there should be any panic change of policy. The Government is continuing to give overriding priority to the elimination of terrorism, and it takes the view that only when law and order have been restored can further progress be made in settling the longer-term political and economic problems of Ulster.

Mr. Maudling is said to have told Dr. Patrick Hillery, the Irish Republic's Minister for External Affairs, when they met on Wednesday, that there was no question of Britain backing down on internment. But yesterday Mr. Heath and his colleagues agreed there should be a "continuing dialogue" with Dublin through Ambassadors about how to get the Roman Catholic and Protestant communities of Ulster living peacefully together.

The Government rules out any possibility of a "conference of interested parties" on the problems of Northern Ireland—as suggested by Mr. Jack Lynch, Prime Minister of the Republic—until terrorism has been curbed. Mr. Lynch is not due in London for talks with Mr. Heath until October 21, and neither Government has proposed he should come earlier.

Mr. Heath has abandoned his plans to compete in the Ramsgate Gold Cup and the Goodwins yacht races at the week-end and will stay at Chequers.

Continued from Page 1

North Atlantic air fares

diplomatic and airline pressures could be brought to bear to prevent an "open rate" situation emerging.

But in addition to Lufthansa's veto on the entire fares package, two other airlines, who have not been named, while approving the package, did dispute the proposed date of introduction of certain new winter group inclusive tour fares. They wanted them brought in on January 15 instead of April 1. These two airlines have been given until August 20 to give a final answer on this issue.

R-R Ltd. repaying £30m. debentures

BY NICHOLAS LESLIE

A STATEMENT yesterday by Mr. E. R. Nicholson, the receiver and manager of Rolls-Royce Ltd., appeared to confirm that debenture holders would be repaid in full and that unsecured creditors would get over 50p in the pound. A repayment of 50 per cent. of the debenture capital together with accrued interest and involving some £30m., is to be made on September 15—a little earlier than at first indicated.

At the same time, the U.K. Government has agreed to give financial support to the RB-211 programme up to August 24 to allow the parties concerned to complete their contractual arrangements. Success here will mean that substantial claims by Lockheed, the airline companies and others which would rank as unsecured creditors, will be avoided. The Government's continued support follows the recent U.S. Congress decision on the Lockheed TriStar project.

Outlining these points, Mr. Nicholson also states that it is too early to calculate a price to be paid for assets acquired by Rolls-Royce (1971), and that no significant payment will be made to unsecured creditors until this is settled.

In addition, he has asked the Rolls-Royce Ltd. Board to consider the question of placing the company in voluntary liquidation. This step would allow for a Creditors' Committee of Inspection to be available for consultation during price negotiations.

Royal Exchange Assurance, trustee for holders of the five Rolls-Royce Ltd. debenture stocks, in a separate statement yesterday said 50 per cent. of the principal, together with interest, would be paid on September 15 to holders on the register at August 18, 1971. Quotations on the London Stock Exchange will to-day be quoted ex the distributions.

Mr. Nicholson says he has not yet received a statement of affairs from the directors of Rolls-Royce Ltd. Nonetheless, he has been told by them that good progress has been made towards completion, although further consideration is necessary on a number of complex problems.

A number of potential adjustments have become apparent in his draft statement of affairs of June 9 but, while some of these may prove substantial, he stands by his earlier conclusion that "a total payment to unsecured creditors in excess of 50p in the pound is indicated."

Satisfactory progress has been made on realising debts and preliminary work continues towards negotiating a price settlement in respect of assets sold to Rolls-Royce (1971). However, "it is still too early to forecast the timing of my realisations," says Mr. Nicholson.

However, Mr. Nicholson hopes to be able to make a "further substantial distribution" to debenture holders before the year end.

Men and Matters, Page 16

F.T. writer wins Thomson travel award

IT WAS announced last night that Class 1 of the Thomson Travel Awards to Journalism had been won by Arthur Sandles, of the Financial Times, for his entry, Spanish Sand in the Works, published in the Financial Times on May 8.

The class is open to journalists who have published in a national daily or Sunday newspaper, trade journal or magazine, an article dealing with any aspect of inclusive holidays abroad. The prize is £100.

Class 2, open to journalists on regional dailies or weeklies, was won by Kenneth Westcott Jones and Geoffrey Rumney. They receive £100 each as no award was given in Class 3.

The chairman of the panel of judges was Lord Thomson of Fleet. The awards are given by Thomson Holidays.

Weather

U.K. TO-DAY

England, Wales, N. Ireland, S. Scotland: Cloudy with rain at times. SE England: Dry at first. SW areas: Brighter later. N. Scotland: Mainly dry, scattered showers. Temps: Mainly below normal.

London, S.E., Cent. S. England, E. Anglia, E. Midlands

Cloudy, rain spreading from W. Wind S.W. moderate. Rather cool. Max 18C (64F).

N.E., E. England

Cloudy, rain at times. Hill and coast fog. Wind S.E. moderate. Rather cool. Max. 16C (61F).

W. Midlands, Channel Is., S.W. England, Wales

Cloudy. Rainy spells, hill fog. Perhaps brighter later. Wind S.W. moderate, locally fresh. Rather cool. Max. 16C (61F).

N.W., Cen. N. England, Scotland, Glasgow, N. Ireland

Cloudy, rain at times. Hill fog patches. Wind variable light. Below normal. Max 16C (61F).

E. Scotland

Rather cloudy. Rain in places. Coast and hill fog. Wind light or moderate. Cool. 14C (57F).

Cen. Highlands, Argyll

Bright spells. Mostly dry. Wind E. light or moderate. Normal. Max 17C (63F).

Rest of Scotland

Perhaps a few showers, sunny spells, wind E. light or moderate. Rather Cool. Max 13C (55F).

Outlook: Changeable with rain in most areas. Mainly dry in N and NW British Isles. Rather cool generally.

BUSINESS CENTRES

		Y'day Mid-day °C	°F				
Amstrdm.	C	18	64	Madrid	S	[illegible]	[illegible]
Bahrain	S	36	97	Manchstr.	R	[illegible]	[illegible]
Beirut	S	29	84	Melbourne	C	[illegible]	[illegible]
Belfast	C	15	59	Montreal	S	[illegible]	[illegible]
Belgrade	F	32	90	Milan	S	[illegible]	[illegible]
Berlin	F	21	70	Moscow	F	[illegible]	[illegible]
Birmghm.	R	14	57	Munich	F	[illegible]	[illegible]
Bristol	R	15	59	Newcastle	R	[illegible]	[illegible]
Brussels	C	18	64	New York	S	[illegible]	[illegible]
Budapest	F	26	79	Oslo	F	[illegible]	[illegible]
B. Aires	C	10	50	Paris	C	[illegible]	[illegible]
Cairo	S	31	88	Prague	C	[illegible]	[illegible]
Cardiff	C	17	63	Reykjavik	S	[illegible]	[illegible]
Cologne	F	21	70	Rio de J'o.	S	[illegible]	[illegible]
Copnhagn.	S	19	66	Rome	F	[illegible]	[illegible]
Dublin	R	14	57	Singapore	R	[illegible]	[illegible]
Edinb'gh.	C	16	61	Stockholm	S	[illegible]	[illegible]
Frankfurt	F	21	70	Strasbourg	C	[illegible]	[illegible]
Geneva	S	23	73	Sydney	C	[illegible]	[illegible]
Glasgow	C	15	59	Tehran	S	[illegible]	[illegible]
Helsinki	C	13	[illegible]	Tel Aviv	S	[illegible]	[illegible]
H. Kong	C	26	79	Tokyo	C	[illegible]	[illegible]
Jo'burg	S	17	63	Toronto	C	[illegible]	[illegible]
Lisbon	F	29	84	Vienna	F	[illegible]	[illegible]
London	R	15	[illegible]	Warsaw	F	[illegible]	[illegible]
Luxembrg.	C	15	[illegible]	Zurich	C	[illegible]	[illegible]

HOLIDAY RESORTS

		Y'day Mid-day °C	°F				
Ajaccio	S	30	86	Jersey	R	[illegible]	[illegible]
Alxndria.	C	29	84	Las Plms.	F	[illegible]	[illegible]
Algiers	F	31	88	Locarno	S	[illegible]	[illegible]
Athens	S	34	93	Luxor	S	[illegible]	[illegible]
Barcelona	S	26	79	Majorca	F	[illegible]	[illegible]
Biarritz	C	22	72	Malaga	C	[illegible]	[illegible]
Blackpool	R	15	59	Malta	F	[illegible]	[illegible]
Bordeaux	S	22	73	Nairobi	C	[illegible]	[illegible]
Boulogne	C	17	63	Naples	C	[illegible]	[illegible]
Casablnca.	S	24	75	Nassau	C	[illegible]	[illegible]
Cape Tn.	S	16	61	Nice	S	[illegible]	[illegible]
Corfu	S	31	88	Nicosia	S	[illegible]	[illegible]
Dubrovnik	S	29	84	Oporto	S	[illegible]	[illegible]
Faro	S	27	81	Rhodes	S	[illegible]	[illegible]
Florence	S	30	86	Salzburg	C	[illegible]	[illegible]
Gibraltar	C	22	72	St. Moritz	S	[illegible]	[illegible]
Guernsey	R	17	63	Tangier	F	[illegible]	[illegible]
Innsbruck	C	18	64	Tenerife	F	[illegible]	[illegible]
Inverness	C	15	59	Tunis	S	[illegible]	[illegible]
I. of Man	R	14	57	Valencia	S	[illegible]	[illegible]
Istanbul	S	29	84	Venice	S	[illegible]	[illegible]

S—Sunny. R—Rain. F—Fair. C—[illegible]

هكذا من الأصل